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HISTORY
OF
THE SALT UNION L^D.

A. F. CALVERT



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A HISTORY OF THE SALT UNION

A RECORD OF 25 YEARS OF
DISUNION AND DEPRECIATION

*Compiled from Official Reports,
with an Introduction*

BY

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INTRODUCTION.

IN a volume entitled *The Story of Trusts*, published in July of this year, M. E. Hirst says that "The Salt Union, formed in 1888 by the agreement of sixty-four firms, at first had a monopoly. During the early years of the Union it raised prices between four and five shillings a ton; but this at once attracted competition, and the Union now controls less than fifty per cent. of the trade." To this lucid but inadequate description of a combine which was established with a capital of four million pounds, and which for the past quarter of a century has been the dominating and despotic factor of the English salt trade, I propose to add a few particulars that may be of interest to the commercial public.

The Salt Union was formed in October, 1888, but the coming of the combination was foreshadowed in January of that year by the publication of the following paragraph in Falk's *Salt Trade Circular*: "The salt trade is at the most deadly crisis. Implacable competition among a small section of the largest makers has brought prices below all records, salt being freely offered at 50 per cent. below cost. All the large chemical contracts for 1888 have been taken at ruinous prices. Nor has there been any more extensive demand for the article below cost. The total export shown on annexed list proves a considerable decrease on the average. The principle of association has been violated again, and with more disastrous results than ever yet known. Nothing but a new form of general consolidation can resuscitate the trade."

Various interviews and deliberations ensued and prepared the way for a meeting of salt proprietors, manufacturers and traders at the Adelphi Hotel, Liverpool, on Thursday, 5th July, 1888, at which the following resolution was passed:—

“ Resolved that each salt proprietor and manufacturer send in to Messrs. Fowler & Co. within one week from this date, the price which he binds himself to accept for his works, including land or leases, building, railway wagons, steamers, barges, flats, boats and all other effects, goodwill and business, specifying the sum in a Schedule, and that Messrs. Fowler & Co. appoint a valuer on the part of the purchaser to check and agree upon the amount if possible with the vendor.”

The draft form of agreement provided that the vendors agreed to sell and Robert Fowler agreed to purchase at the price fixed by the vendors, or at a price to be mutually agreed between the vendor and Mr. Thomas Ward, of Northwich, who was appointed valuer by Mr. Fowler. Mr. Ward had been for many years manager of the works of Mr. Charles Andrew McDowell, who traded in Northwich as Messrs. Nicholas Ashton & Sons. Mr. McDowell, who appears to have taken a prominent part in the formation of the Salt Union, signed the first of the sixty-four agreements by virtue of which the Union became the greatest salt proprietors in the world. The price given for the Ashton works was £115,000, of which £38,330 was payable in shares, and the agreement upon which the deal was concluded contained the following provision :—

“ All salt manufactured at the Ashton Salt Works, Northwich, to be consigned for sale by the son of the vendor (William Samuel McDowell) at his office in Liverpool. A commission of $2\frac{1}{2}$ per cent. to be paid him on his sales of every description of salt (with the customary allowance for weighing) except ‘ factory filled ’ salt. A commission of 5 per cent. to be paid him on his sales of ‘ Ashton’s factory filled ’ salt, sold in the United States of America or elsewhere, such commission to be calculated on the nett proceeds of such sales.”

It will be seen that the 5 per cent. commission was only to be paid on the salt known as “ Ashton’s factory filled ” salt, but Mr. McDowell’s firm also received a further 5 per cent. for guaranteeing

the payments of the New York agents, thus making a total commission of 10 per cent. as against the $2\frac{1}{2}$ per cent. paid to the other distributors.

I am stressing Mr. McDowell's connection with the Salt Union, because his attitude towards the combination was something of a mystery. The exceptionally favourable terms he received as a distributor never tempered the violence of his criticism of the policy and management of the Board. It would appear possible that he participated in the promotion profits, since, while he received £115,000 for his business, of which the Company had the right to pay £38,330 in shares, he told the shareholders on the 6th August, 1891, that the holding of himself and his children in the Union amounted to £145,200. According to the Salt Union agreement, it would appear that the sum of £240,000 was payable to Mr. Robert Fowler as promoter, and therefore I have felt it safer to accept that figure rather than the larger sum I had arrived at by a process of deducting the price received by the original vendors and the total sum paid by the Salt Union.

Notwithstanding Mr. McDowell's large holding, and his preferential commission terms, he attacked the policy of the Union at every opportunity. After his death in 1897, his son, Mr. W. S. McDowell, continued to prosecute the campaign, and eventually, by forcing the Board to sanction the formation of a shareholders' committee, he succeeded in getting the old directors turned out, and new directors, nominated by himself, installed in their places. In January, 1895, a scheme had been put forward for terminating the Union's liabilities for commissions, etc., under the agreement of which Ashton's Works had been acquired, but in view of the anticipated resistance of Mr. McDowell, the scheme was not persevered with. Indeed, Mr. McDowell was vigorously complaining of the Board's policy in encouraging the sales of unbranded varieties of salts to distributors, instead of protecting Ashton's special produce on which the heavy commissions were payable.

It would seem that a bad bargain had been made by the Salt

Union with Mr. McDowell in the first place, and they could not repudiate or revise their agreements. By October, 1899, the question of Ashton's works had become a sore point with the Board, and persons in authority had unsuccessfully exerted every effort to have them closed down. But any proposal for closing portions of the works had invariably provoked a bitter attack on the directors by Mr. McDowell, who had his special provision in the agreement to protect, and as the Board, after 1898, was nominated by Mr. W. S. McDowell, it is not uncharitable to assume that the question was not debated in a spirit of impartiality. Owing to the subsidence, much money had had to be spent to keep the works in a state of repair, and the fact that thousands of pounds had been expended on far less profitable properties did not affect the situation. In 1901 a portion of the works was so seriously affected by subsidence that pressure was put upon the Board to spend the further necessary money to have them removed to firmer ground, and efforts were made to secure American orders to justify the outlay. In May, of that year, however, the sinking was proceeding at a rate that constituted a risk to life; work at the mill was consequently stopped and nearly the whole of the works were dismantled. In the return for 1913, Messrs. W. S. and Charles McDowell held only 126 ordinary shares between them.

Let me return from this brief consideration of the men who proved for many years such a consistent thorn in the flesh of the Salt Union directorate, to the affairs of the combination itself. Its formation was heralded with many flourishes of trumpets and much banging of big drums, and in the general uproar the warning voice of *The Times* was unheard or unheeded. By controlling production the Salt Union thought to obtain a monopoly of salt and raise the price at will, but as *The Times* sapiently commented: "The syndicate has not acquired the control of all the mines or works at which salt is produced, and unless and until they do this they will not have an absolute monopoly. The firms that keep clear of the combination will thus be enabled to undersell the syndicate by a sufficient margin of price to enable them to get a

leading place in the market, so far as price can give that position Again, unless the syndicate obtains absolute possession of or control over every inch of ground where salt can be got, the almost certain result of the combination will be to bring into existence a number of 'small fry' which would not otherwise come into being, and the resources of production will thereby, in all probability, be increased far beyond what they are now, thus defeating one of the primary objects of the movement, which is that of curtailing supply and creating an artificial scarcity."

On September 27th, 1888, *The Times* announced that the Salt Union had bought the various properties on the terms proposed, namely, two-thirds of the purchase money in cash and one-third in shares, and added "the principle on which the valuation was made has not come out, but it is generally known that the selling price has been quite satisfactory to the vendors."

The truth of *The Times'* forecast of the disappointment in store for the shareholders of the Union has come out in the sequence of loss and misfortunes that had consistently dogged the footsteps of the combination, but the principle on which the valuation was made has been kept a closer secret. It is time that some light was thrown on the valuation which the vendors found so satisfactory, and on the finance of the Union generally. The purchase price for the properties secured by the series of sixty-four agreements—of which the chairman in 1896 said that "Never were covenants so ingeniously framed as to cause law suits—plus the sum I take to have been appropriated for promotion profits, was £3,704,519. If we omit for the moment the £600,000 paid for Mr. Corbett's work in Worcestershire, and deduct the promoter's profit of £240,000, the balance of the purchase price was £2,864,519. Out of the sixty-four properties I have made a selection of thirty-two, and from the thirty-two agreements relating to them I find that the purchase price paid to the original vendors was £1,555,119.

Of the properties that were acquired for this sum, I estimate the loss that has since been suffered by sale, depreciation or

dismantlement amounts to no less than £1,068,700. These figures are arrived at as follows :—

	<i>Amount paid by Salt Union.</i>
	£
20 Properties dismantled	276,450
8 Properties transferred to Brunner, Mond & Co. ..	372,250
Estimated proportion of money paid for Properties partly dismantled	320,000
	<hr/>
	£1,068,700

This shows a deficiency of £1,068,700 on the thirty-two properties purchased for £1,555,119, and I do not estimate that the remainder of these properties, included in the purchase and still owned by the Salt Union, are worth the balance of £486,419. Indeed, I am satisfied that they are worth nothing like that sum. And if the half of the promotion profit is taken into consideration it will be seen that a commission of something like £120,000 was paid on properties which have involved the Union in a loss of £1,068,700.

As my figures may inspire incredulity, and the accuracy of them may be challenged, I have anticipated criticism by publishing a list which shows how they have been arrived at.

The manner in which the Salt Union conducted the purchase of their properties provides one of the most amazing instances of reckless optimism in the history of comparatively modern finance. It is difficult to understand by what principle or system the promoters of the Union were guided in making their investments.

It is true that a valuation was made for the promoters by the late Thomas Ward, and his deep interest in the salt trade and his loyal faith in the resuscitating powers of the Salt Union made him, as I think, place far too high a value on the works under offer to them. But Mr. Ward's valuation was far exceeded by the prices actually paid for the properties by the Salt Union, as the following instances will show :—

<i>Works Purchased.</i>	<i>Mr. Ward's Valuation.</i>	<i>Price paid by the Promoters and sold to the Union at a further enhanced price.</i>
	£	£
THOMAS HIGGIN & CO.	36,000	102,150
JOHN THOMPSON	28,000	40,000
JOSEPH VERDIN & SONS	475,000	630,000
STUBBS BROS.	120,000	231,000
W. & R. HICKSON	20,500	34,500
WILLIAM HICKSON	21,000	38,000
R. SEDDON & SONS	3,000	9,750
	£703,500	£1,085,400

It will be seen that in the purchase of these seven properties, the difference between the value put upon them by the valuer appointed by the promoters and the price at which they were acquired by the promoters of the Salt Union, was £381,900, and this sum does not include the profit added by the promoters. According to the agreements it would appear the price payable for the several properties was £3,464,519 (although I am unable to arrive at those figures), and these were transferred to the Salt Union for £3,704,519, and, looking at the whole business in the most favourable light, the price was in my opinion at least £2,000,000 more than they were worth. Out of the sixty-four properties acquired many have been lost to the Union, while other works have been closed down because they could no longer be worked at a profit. A striking illustration of the loss of trade is to be seen in the parish of Over at Winsford. In 1888, when the Salt Union was formed, there were 244 pans at work in this parish. To-day the number of pans has been reduced to 90, of which only 48 are working, and, as far as I can trace, the whole of the reduction is on properties acquired by the Salt Union at inflated prices.

I have shown that the purchase consideration payable by the Salt Union was £3,704,519, but in addition to this sum the original directors were landed with all sorts of obligations and liabilities in the shape of commissions on the sale of salt made at the various works acquired by the Union.

The purchase of the Stoke Prior Works in Worcestershire has since occasioned the Salt Union much trouble and litigation, for, in consequence of the great haste with which the arrangement between the promoters and Mr. John Corbett was rushed through in order that the property might be included in the prospectus, points were left open which subsequently became the subject of constant disputes. The Salt Union ultimately brought an action against Mr. Corbett for the purpose of deciphering the meaning of the agreement, and, in the end, the Salt Union paid Mr. Corbett a further sum of £60,000, in addition to the £600,000 which they paid in the first instance. Even the payment of this large additional sum did not give the Salt Union the perpetual ownership of the brands, etc., as, under his agreement, Mr. Corbett reserved the right to start manufacturing salt again himself at the expiration of thirty years, and not only has he that right, but all the brands, trade marks, etc., he disposed of are to be handed back to him at the expiration of that time.

In the course of the proceedings it transpired that when the Company was floated no proper agreement was made between either the promoter or the Company and Mr. Corbett, although the contract was set out in the prospectus, and Mr. Corbett was to join the Board after allotment. The only document upon which the promoter acted was a letter signed by Mr. Corbett. This was dated the 5th October, 1888, and the Company was issued to the public three days later. The judge, in the course of the case, said he was not satisfied that the Company had power to alter the terms of that document, nor was he satisfied that there was any representation in the prospectus of a concluded agreement between the Company and Mr. Corbett. Mr. Justice Kekewich alluded to the document which purported to be a

contract, as a marvellous production. He contended that it did not contain a line where accuracy was required which did not contain a great inaccuracy, and remarked that he did not know how anybody could have been so foolish as to sign such a thing.

From the report of these proceedings it would appear that the Attorney General, who appeared for the Salt Union, stated that the Stoke Prior Works belonging to Mr. Corbett had been reported upon by Mr. Thomas Ward before the prospectus was issued, but that statement was incorrect. Mr. Ward did not visit these works for the purpose of valuation until after the purchase, and then to use his own words, he valued them in the most liberal terms, and fixed the price at £268,000, to which he added £100,000 for goodwill, and £32,000 for retaining fees, bringing the total up to £400,000. It is not my intention to criticise the acquisition of the Stoke Prior Works in any way, and I think it is possible that they were one of the best bargains the Salt Union made, but even here it will be seen that they paid £200,000 more than Mr. Ward valued them at, and still, owing to the absurd agreement into which they entered, they left themselves open to litigation which landed them in the payment of a further sum of £60,000.

The whole course of the negotiations reveal Mr. Corbett as an extremely astute man of business. In the first place he sold his property at the very top of the market and placed a time limit on the transaction. He stipulated to be appointed a director of the Salt Union at a salary of £1,000 per annum, and the discussions of the business of the works he had sold to the Union, came before the Board of which he was a member. He resigned his directorship in 1891, but continued to act as General Manager of the Worcestershire area until after the action was commenced against him by the Salt Union in July, 1892. The matter was not finally disposed of by the Court until April, 1894, and in the course of it he was quick to seize upon a slip in one of the agreements in which the Union were described as acquiring his works for only five years instead of thirty. If Mr. Corbett had succeeded in

maintaining this point, his transaction would have proved something like a record bad bargain for the unhappy Salt Union.

Yet another instance of the extremely liberal manner in which the Salt Union dealt with the vendors of the originally-acquired properties was furnished by the settlement in 1907 of the action between the Union and Messrs. Brunner, Mond. In this case the Salt Union transferred about 350 acres of their Northwich salt lands to Messrs. Brunner, Mond for a sum of £125,000, and as each side paid the costs of the protracted litigation, this sum would necessarily be much reduced. The chairman announced the terms of the settlement with peculiar satisfaction that seems to have been scarcely justified in view of the fact that the properties which they sold for £125,000 cost the Salt Union, so far as I have been able to trace the figures, something like £372,000. I am not suggesting that the Salt Union were wrong to come to this arrangement; it is even possible that they made a good bargain, but the loss they sustained on the properties they transferred, gives some idea of the extravagant prices at which they had acquired them in the first place.

The misfortune attending the career of the Salt Union has been continuous and complete. The attempt to command the English salt deposits and control the trade has been unsuccessfully persevered with for twenty-five years, and to-day, apart from the fact that a number of outside firms are producing and selling salt, the dominating influence in the salt lands has been usurped by the firm of Brunner, Mond & Co. The power of this chemical concern does not seriously jeopardise the status of the Salt Union, as the two firms have arrived at an understanding whereby the Salt Union is pledged to discourage the attempt of any other chemical firm from manufacturing alkali in Cheshire, and Messrs. Brunner, Mond & Co. on their side, have undertaken not to assist any person or firms who desire to make salt in the district. These two firms between them have locked up 25,000 acres of salt-bearing land in Cheshire, of which they are working only a small proportion—an arrangement which I believe could not be

TABLE SHOWING FINANCIAL POSITION OF THE SALT UNION, LTD., FROM 1888 TO 1912.

Year.	Deliveries. Tons.	Trading Profit.	Total Income.	Net Profit.	Debture Interest.	Pref. Div'd and	Ord. Div'd and	Special Allocations.	Carry Forward.
		£	£	£	£	%	%	£	£
1889(a)	1,550,000	522,589	562,968	320,388	48,124	7	10	40,000	1,055
1890	1,629,000	476,327	524,200	261,447	45,000	7	4	50,000	2,502
1891	1,472,000	394,810	435,799	198,911	45,000	7	5	27,500	3,913
1892	1,354,000	342,331	384,774	170,921	45,000	7	5	2,000	2,816
1893	1,240,000	292,269	334,709	131,879	45,000	7	3	nil.	4,676
1894	1,284,000	278,969	319,526	125,482	45,000	7	2½	"	10,158
1895	1,217,000	276,384	314,208	111,079	51,075	7	2	"	11,238
1896	1,066,600	256,343	295,868	91,292	54,000	7	1	"	12,531
1897	1,014,000	169,795	210,489	12,823	54,000	1½	nil.	300	12,531
1898	967,000	131,615	170,755	(b) 21,208	54,000	nil.	"	nil.	nil.
1899	924,000	156,212	197,603	4,601	54,000	"	"	4,600	"
1900	853,000	174,074	217,943	16,227	54,000	1	"	nil.	6,227
1901	903,000	208,811	250,885	41,542	54,000	3	"	16,700	1,034
1902	925,000	216,626	264,603	56,092	54,000	5	"	25,000	2,127
1903	898,000	207,696	251,615	45,619	54,000	5	"	15,000	2,747
1904	890,000	183,691	236,349	33,022	54,000	2½	"	20,000	769
1905	861,000	165,605	211,113	14,400	54,000	nil.	"	15,000	169
1906	910,000	161,071	207,974	16,105	54,000	"	"	15,000	1,274
1907	909,000	215,856	264,044	73,075	54,000	8½	"	10,000	2,349
1908	781,000	190,221	244,066	49,800	54,000	5	1½	20,000	2,148
1909	774,000	179,395	235,654	46,438	54,000	4½	"	20,000	3,857
1910	838,000	186,160	242,937	55,973	54,000	4½	"	30,000	4,561
1911	875,000	211,361	262,006	71,896	54,000	6½	"	35,000	3,957
1912	881,000	182,156	226,333	26,146	54,000	nil.	"	25,000	5,104

(a) 14 months.

(b) loss.

justified by law, as it is clearly a form of conspiracy which comes under the heading of "restraint of trade."

In a petition they presented to a special Parliamentary Committee, Messrs. Brunner, Mond declared themselves in favour of freedom of trade, yet this firm and the Salt Union opposed the Widnes Brine Bill because the conveyance of brine from Cheshire to Lancashire would benefit the alkali manufacturers of Widnes, while they as strenuously opposed a clause in the Brine Pumping (Cheshire) Bill to restrict, to three hundred million gallons per annum, the conveyance of brine from Northwich to Weston Point, because their own interests were located in the latter place. The Cheshire Bill of 1912 was thrown out because it was regarded as a measure "in restraint of trade," yet freedom of trade was never more defiantly flaunted than in the opposition made to the Widnes Bill. Further, when last year the Salt Union (or the North Western Salt Company) sought to recover damages from a chemical firm, the fresh case failed on the ground that the conditions existing between the parties at the time the agreement was made constituted a restraint of trade, and was therefore illegal. In view of the fact that the present Government hesitate to enforce their rights against Messrs. Brunner, Mond, it might be possible to obtain justice by testing the legality of the various agreements by which the salt lands are withheld from competitive industrial enterprise. Weaker actions have been tested on the ground of restraint of trade, and in the face of such findings it is difficult to see how an action on those lines could fail. By remaining quiescent on a question of fact that would materially enhance the values of those salt areas for revenue purposes, the Government lend colour to the suspicion that they dare not act against the interests of those powerful monopolists.

Another illustration of the manner in which the Salt Union treat people who have the temerity to enter into competition with them is seen at Droitwich, where they have been so successful in tying up the land that they have a practical monopoly of the salt manufacture of the district. When one firm, Messrs. J. P.

Harvey & Co., laid a pipe by which they could convey brine from their pumps to the works, the Salt Union commenced proceedings and obtained an injunction against its use. On what grounds they succeeded I am unable to understand, and I am still of opinion that, if fought out, the injunction they got would have been dismissed. On January 6th, 1910, the Borough of Droitwich sent a deputation to the chairman of the Salt Union with the request that he would grant their traders the right to lay pipes, for the conveyance of brine, along the streets of the Borough. The interview was a mere farce since it was evident that the Salt Union had no intention of making any such concession. The chairman, however, propounded numerous arguments to give a semblance of fairness to the Union's objections, and assured the deputation that salt making did not pay and people who embarked in the industry would only lose their money. In the end, a member of the deputation declared that the Salt Union held the key of the situation and could damn or make the place at will. To which the chairman of the Salt Union replied, "I do not think I could damn it better than by encouraging more salt making here!" A weird and wonderful assertion to make to a deputation from a town whose staple industry for hundreds of years had been the making of salt!

In this way the Salt Union have succeeded in preventing competitors from making salt in Worcestershire, for, while they have miles of their own pipes in Cheshire, they have reserved to themselves such powers that the town of Droitwich are unable to grant facilities to persons to carry brine in pipes either under or over the public thoroughfares. From the interview which the Town Council's deputation had with the chairman of the Union in 1910, it is evident that the people of Droitwich would be only wasting their time in reopening negotiations on the question of the conveyance of brine, unless they are prepared to fight for their rights, if necessary, up to the House of Lords. If this course is inexpedient, they would be well advised to leave the Salt Union out of their consideration until the year 1918, when the rights of

the Union in the district practically cease, and the Corbett Trustees will be free, under their agreement, to deal with their various lands as they may think right and proper.

The whole question of the salt-making industry of Droitwich after 1918 will be in the hands of the Corbett Trustees, and it will be for them to consider whether they will allow people to go on making salt as before. Of course it is quite possible that the Salt Union may be prepared to make a further handsome payment, and get an extension or renewal of those binding clauses, but it is difficult to believe that the Trustees of the Corbett estate, who have derived so much benefit from Droitwich, will be willing to consider any further terms which would continue to restrict the old industry of the town.

In Middlewich the Salt Union adopted similar tactics in dealing with competitive undertakings. Messrs. Henry Seddon & Sons, Ltd., salt proprietors of that town, entered into an agreement with the North Staffordshire Railway Co., who granted them permission to lay a brine pipe from one set of works in Middlewich to another. Both these works were situated on the Trent and Mersey Canal, controlled by the North Staffordshire Co., and the pipe to convey the brine was laid on the towing path of the Canal. As a result of the pressure exercised by the Salt Union, the Railway Co. gave notice to Messrs. Seddon in April, 1905, terminating their agreement. When Messrs. Seddon declined to take up their pipes, the Salt Union sent men to break one of the pipes, but Messrs. Seddon's men met and dispersed the intruders. On another occasion Union men succeeded, in the early morning, in destroying the pipe, and the Salt Union eventually took legal proceedings and compelled Messrs. Seddon to abandon their pipe-laying operations.

During the present month of October, 1913, I have encountered another instance of Salt Union tactics in connection with some new salt works which are being erected on the banks of the same Canal, where, in order to put up new plant, some buildings, erected in the year 1799, were pulled down. They had not been

down for more than a fortnight when three prominent officials of the Salt Union, including one of the directors, arrived on the scene and made an inspection of the property. Two days later, in the absence of the manager, the engineer and other officials of the Trent and Mersey Canal visited the property, and, claiming that a portion of the ground belonged to them, pegged out the land to which they declared themselves entitled. As, however, the pegs were placed in the centre of a site which had been covered by buildings for over a hundred years, the validity of the claim would be difficult to substantiate. The manager, acting upon advice, pulled up the pegs and threw them off the property, and he was further instructed to do the same with any other officials who came on the same errand. I believe some sort of apology was tendered by the officials of the Railway Co. controlling this Canal, but it is not the less an outrage that people should be subjected to this high-handed and illegal treatment.

With regard to the question of subsidence, the Salt Union and other salt makers have fulminated vehemently against the various Bills promoted by the local authorities, but one has only to see the enormous damage done to property in Northwich by the pumping of brine and working of salt, to make one sympathise with the local people, and wonder why they were compelled to spend thousands of pounds and devote years of labour to obtain a measure of compensation, which even now, appears to me to be quite inadequate. As a result of this unrestricted pumping, houses and streets are falling in, and the new houses are being built on frames in order that they can be raised when any portion sinks owing to subsidence. In fact, the town of Northwich is rendered a very uninviting place in consequence of its instability, and the people of the district do not get the benefits from the industry which is ruining their town. If the brine raised were manufactured on the spot, it would, of course, employ a certain number of people, but, as a matter of fact, only a very small quantity of salt is now being made in Northwich.

In order to show that no assistance was given by the salt

makers to the people who were seeking, by friendly means, to obtain reasonable compensation for the damage done, I would point out that the local committees approached the Salt Chamber of Commerce at Northwich with a view to obtaining an interview to discuss the matter. On 9th March, 1880, a meeting of the Salt Chamber of Commerce was held, and the Secretary was instructed to send a copy of the following resolution to the local committees :—

“ That the salt trade, considering that the question of compensation for subsidence is wholly without the limits of practical treatment, must decline to receive a deputation on the subject.”

That resolution appears to be of such interest that it is worth placing on record. Of course there are hundreds of other letters and references of great interest, but these may be left for detailed consideration to the time when the history of the whole business comes to be written.

The fact that one of the reasons for throwing out the old directors was that, in such a large Company, their total shareholdings only amounted to £33,540, prompted me to ascertain the capital qualifications of the present directors, and, in the return filed by the Company on 28th March, 1913, I find the total holding of the six directors comprises 600 preference shares and 1,835 ordinary shares, the whole of which would realise, at the outside, on the market to-day £1,887 17s. It is possible that one or more of these directors may hold some debentures, but I have not been able to trace them.

The chairman of the Company is returned as being the holder of twenty preference shares and 230 ordinary shares, the whole of which at current market prices would realise £126 5s. Since this return was made, two servants of the Company have been added to the Board, viz., Messrs. Clark and Malcolm ; Mr. Clark in March last held thirty preference shares and Mr. Malcolm held neither preference nor ordinary shares.

Under the Articles of Association of the Salt Union the

qualification of every director was the holding in his own right of shares or stock of the Company of the nominal value of £1,000. Therefore it will be seen that it is not a very difficult matter for these new directors to qualify themselves, as the £4 ordinary shares can be purchased in the market to-day at 7s. 6d., and it would only cost these gentlemen £93 15s. to comply with the qualification clause under the Company's constitution.

I think it is of sufficient interest to add the following table showing the holdings of the several directors :—

From Return Filed by Company, 28th March, 1913.

<i>Director.</i>	<i>Preference Shares.</i>	<i>Ordinary Shares.</i>	<i>Total value at market price, October, 1913.</i>		
			£	s.	d.
G. H. COX (<i>Chairman</i>) ..	20	230	126	5	0
W. H. ALEXANDER	100	200	275	0	0
J. H. BEAZLEY	200	—	400	0	0
C. M. CRICHTON	200	200	475	0	0
JOHN RIGBY	50	205	176	12	0
H. J. FALK	—	1,000	375	0	0
*F. W. CLARKE	30	—	60	0	0
*G. W. MALCOLM	—	—	—		
			£1,887 17 0		

** Elected September, 1913.*

In this connection there appears to be some significance in the fact that although Messrs. Brunner, Mond are so largely interested in the Cheshire salt lands, they are very modest shareholders in the Salt Union. Mr. Emile S. Mond, of 22, Hyde Park Square, W., is registered as a holder of 425 ordinary shares, while Sir John Brunner, Mrs. L. Brunner and Mr. W. C. Barclay figure in the register as joint holders of 100 ordinary shares.

The Salt Union methods throughout have been directed by a determination to keep the trade to themselves, not by producing

superior and cheaper salt, but by crushing everybody who has attempted to compete with them. The policy has failed, and failed ignominiously, and as a last resort they have invested over £100,000 in the erection of an expensive Vacuum plant at Weston Point, where they are manufacturing salt from brine pumped through the Marbury Pipe Line. It is locally claimed that they would have been better advised to have extended their works at Winsford with this money, and it is certain that the Marbury Line involved them in litigation which has cost them many thousands of pounds. This Weston Point investment is a last effort to rebuild a lost business on new lines, but the Union is so overloaded with capital that one hopes for, rather than feels any belief in, their chances of success. In this connection it is interesting to note that in the evidence given in the House of Lords before the Committee appointed for the Brine Pumping (Cheshire) Bill, 1912, it transpired that the lease of the Marbury Pipe had only 30 years to run from 1912, and that the Vacuum plant at Weston Point is only capable of treating 150,000 to 250,000 tons of salt per annum. It was further admitted that while, in 1888, the Salt Union practically controlled all the output of salt in Great Britain, it owned, in 1912, only two Vacuum plants and 684 pans—of which, I am convinced, nothing like that number are being worked to-day—while the combined salt plants of outside manufacturers amounted to 392 pans and three Vacuum plants.

The original capital of the Company in shares and debentures was £4,000,000—a capital which was increased in 1895 to £4,200,000 by the issue of further debentures to the amount of £200,000 and reduced in 1901 to its present total capitalization of £2,600,000, made up as follows:—

£			
600,000	..	..	Pref. Shares.
800,000	..	..	Ord. Shares.
1,000,000	..	..	1st Debentures.
200,000	..	..	B. Debentures.
<hr/>			
£2,600,000			

Even at this figure, the capitalization is hopelessly inflated. It would appear to be practically impossible for the ordinary shareholders ever to receive another dividend, and in the event of the Company being wound up they would certainly get nothing. The question for consideration to-day is whether the properties valued in the balance sheet at £2,990,960 *gs. 6d.* would realise sufficient to cover the issued debenture liability of £1,200,000. In my opinion they would not, and failing reorganisation or reconstruction, it would appear that the Salt Union must eventually fall into the hands of Messrs. Brunner, Mond & Co., who have displayed a commercial genius and capacity for economic organisation which have been among the most prominent omissions from the governing councils of the Salt Union's directorates.

In the following pages the history of the failure of the Salt Union is told in the words of the officials and shareholders of the combination. I have refrained from adding many details from documents in my possession which would more fully explain and emphasize this story of mismanagement and misfortune; the successive reports issued by the Board, and the reports of the general and extraordinary meetings of the Company, tell their own melancholy tale.

In October, 1888, common salt was selling at 3/- to 5/-, and fine salt at 24/-. In February, 1889, the price of common salt had been advanced to 7/- to 10/-, and fine salt was selling at 48/-. By the end of that year the Union had made a net profit of £368,512, and declared a dividend of 10 per cent. on the ordinary shares. By the end of 1890 the net profit was less than in the previous year by more than £62,000, the interest on the ordinary shares had fallen to 8 per cent. and there were dissensions among the members of the Board. Already it had become apparent to certain of the directors that the Union was working along wrong lines, and some of them had handed in their resignations. An extraordinary meeting which was called in August, 1891, to allay "unfounded rumours" regarding the position of the Union, only

succeeded in confirming those reports. The fall in prices, in profits, and in dividends was admitted. High prices had stimulated competition, and it was judged advisable to carefully revise market prices, practice increased economy by unification of management, and modify the system of distribution by which the Salt Union had recklessly and unnecessarily fettered its commercial activities. Mr. C. A. McDowell, at this meeting, eloquently deplored the greivous mistakes made by directors in the past, alluded to leakages in the system which required immediate rectification, urged that the Cheshire Board should be replaced by an Executive Committee, and appealed for the reorganisation of the emoluments paid to the directors. The chairman promised that the directors would do their best to "wipe up the mess," and the interest on the ordinary shares was reduced to 5 per cent. As the result of about three years' trading, the affairs of the company were officially described as "a mess," and the dividend on the ordinary shares had diminished by fifty per cent.

The year's working in 1892 was admittedly disappointing to the Board, but they had by this time decided upon a policy of selling at low but remunerative prices. They recognised that the future welfare of the Company must not rest upon high prices, but on the maintenance and development of their trade. The chairman courteously offered to consider Mr. McDowell's demand that the Executive Committee—which at his instigation had replaced the Cheshire Board—should now be superseded by a General Manager, but on questions of the management of the Company's business the chairman assumed the attitude which has always characterised the directorate of the Salt Union. We are appointed to manage this business, is the tone of the official utterance; the shareholders must either trust us or get rid of us, and further inquiries on the subject were classified as "questions which we have a right not to answer."

The figures for 1894 were the first in the history of the Union which showed an expansion of trade compared with previous years. As against this satisfactory item of intelligence, the net

profits had decreased to £170,482, the dividend on the ordinary shares had dropped to $2\frac{1}{2}$ per cent., and the directors had to ask the shareholders to sanction the creation of B. Debentures to the amount of £250,000 for working capital. Mr. McDowell was, if possible, more dissatisfied with the conduct of the Board than ever. They had disbanded their Executive Committee, and created an office of General Manager, but in Mr. Fells they had selected for the new position the last man in the world who, in Mr. McDowell's judgment, was capable of filling it. He suggested that a committee of shareholders should be appointed to assist the directors in the conduct of their business.

Of the £250,000 B. Debentures created, £200,000 were issued, and Messrs. W. S. McDowell and G. H. Cox are registered as the Trustees.

The security as registered is as follows :—

“Certain trade marks which have been substituted for others which formed part of the original security. Certain property at Over, mining rights over the Salt Holme and Bellingham Estates, co. Durham, and certain freeholds at Bellingham. Residue of unexpired term of lease of land and premises known as Runcorn Soap & Alkali Works, Limited, at Over, Cheshire.”

Another year of disappointing trading and reduced profits in 1895 inspired the directors with the idea that instead of manufacturing salt at low prices for use in chemical works, it would be more profitable for them to use their own salt for the manufacture of the higher priced chemicals. The ordinary shareholders, learning that they were to receive a dividend of 2 per cent., and probably concluding that even if they adventured into the chemical business it could not easily be less, approved the suggestion, and the chairman assured the meeting that, although the Board would not embark in chemicals in a hurry, the response of the majority of the shareholders had given them fresh courage to think about persevering in the new enterprise.

The report for 1896 contained the announcement that a

Compensation Board had been formed to assess the damages caused by brine pumping in the Northwich compensation area. This marked the end of the long and bitter struggle that had been waged between the Salt Union and the people of the salt towns over the Brine Pumping (Compensation for Subsidence) Bill. The Union had exerted all their influence and expended thousands of pounds in a vain attempt to evade responsibility for the great damage they were causing in the salt district, and now that they were finally compelled by Parliament to pay compensation, the chairman of the Annual Meeting held in 1897, expressed the hope "that in future years the wisdom and discretion of the Brine Pumping Board and the gradual enlightenment of the residents will arrange that the rate shall not be excessive." As the residents had succeeded in their purpose of forcing the enlightened Board of the Salt Union to practice common honesty in their dealings with them, they were not perturbed by this exhibition of bad taste, but the shareholders of the Company had less reason for making excuses for their directors. They had had another bad year, and it was admitted that both in regard to tonnage sold and the general average of prices the results were unsatisfactory. But the erection of soap works had been commenced at Winsford and the Board were still giving "constant and careful attention" to the question of chemical manufacture, and they announced that they proposed to make a start in that business when they saw "reasonable grounds for anticipating success." Although trade was on the down grade and the expenses were increasing, it was believed by the directors that the affairs of the Salt Union had touched bottom and a revival of prosperity might be anticipated. A dividend of 1 per cent. on the ordinary shares was declared.

The fallaciousness of these hopeful prognostications was seen when the report for 1897 was published. The year's trading had resulted in a further general decrease in both prices and tonnage. The soap works had been completed, and the Board were still carefully considering the question of the manufacture of

STATEMENT SHOWING THE RATES OF DIVIDEND PAID BY THE
SALT UNION, LTD., SINCE INCORPORATION, CALCULATED ON THE
ORIGINAL CAPITALIZATION AND THE STOCK EXCHANGE PRICES
OF SALT UNION SHARES.

						<i>Mean.</i>			
						<i>S.E. Prices of Shares.</i>			
		<i>Pref. Div.</i>		<i>Ord. Div.</i>		<i>Pref.</i>		<i>Ord.</i>	
1889	..	7%	..	10%	..	£12 1 10	..	£11 11 10	
90	..	7%	..	7%	..	12 17 6	..	11 13 9	
1	..	7%	..	5%	..	10 7 6	..	7 5 7	
2	..	7%	..	5%	..	9 9 4	..	4 15 7	
3	..	7%	..	3%	..	9 10 0	..	4 4 3	
4	..	7%	..	2½%	..	10 4 5	..	4 6 10	
5	..	7%	..	2%	..	10 5 7	..	4 0 0	
6	..	7%	..	1%	..	10 1 10	..	3 1 3	
7	..	1¼%	..	—	..	9 7 6	..	2 10 0	
8	..	—	..	—	..	6 16 10	..	1 15 0	
9	..	—	..	—	..	4 7 6	..	1 13 9	
1900	..	1%	..	—	..	3 10 10	..	1 10 0	
1	..	3%	..	—	..	3 16 10	..	1 7 7	
2	..	3%	..	—	..	5 5 0	..	1 8 1	
3	..	3%	..	—	..	4 9 1	..	1 1 3	
4	..	1½%	..	—	..	3 18 3	..	0 13 3	
5	..	—	..	—	..	3 16 3	..	0 12 10	
6	..	—	..	—	..	3 4 0	..	0 14 7	
7	..	5½%	..	½%	..	3 19 0	..	0 16 3	
8	..	3%	..	—	..	4 6 10	..	0 15 9	
9	..	2½%	..	—	..	3 11 3	..	0 13 5	
10	..	2½%	..	—	..	3 11 9	..	0 13 3	
11	..	3¾%	..	—	..	4 1 10	..	0 14 0	

Average dividend
for 23 years 3¾% .. 1½%

Total paid in
Dividends £857,000 .. £720,000

£1,577,000—av. £68,565 p.a. or
2.285%.

Note.—October, 1913. At this date the shares of the Salt Union are quoted as follows:—

Salt Union (£4) Ordinary .. 7/-
Salt Union (£6) 7% Pref. .. £2

chemicals. Moreover, although the Union were so soon to increase their brine pumping from the salt district to Weston Point, over eleven miles of country, they had pleasure in announcing that they had contrived to injunct a rival salt manufacturer from conveying his brine under roads, the subsoil of which belonged to the Union. When the chairman had delivered his lengthy explanation of the "very unsatisfactory results" of the past year's trading, the question of transferring the head offices of the Company from London to Liverpool was debated. Mr. C. A. McDowell, that consistent critic of the policy of the Union, was dead, but his son, Mr. W. S. McDowell, had stepped into the breach, and was the enthusiastic leader of the malcontents. It was pointed out that the suggested change from London to Liverpool would mean the substitution of a new Board of Directors, but as this was what the agitators were working for, the announcement of the self-evident fact did not cause them any dismay. It was recognised that they had arrived at the lowest ebb at which the fortunes of the Salt Union could fall, and that the situation had been brought about by the fact that the Union had always been in a state of disunion and actual warfare. "Do for one instant all pull together," one shareholder exhorted the meeting, "do for one instant sink your petty differences and petty rivalries and pull altogether for the benefit of the Salt Union." The Hon. C. W. Mills assured the meeting that it was not by economies or a rise in the price of salt that the salvation of the Union would be effected, but by a drastic reconstruction of the capital of the Company. The meeting was too disturbed by the elements of faction to pull all together, but the majority were with Mr. McDowell, and a committee of shareholders was appointed to confer with the directors with a view to improving the Company's business and prospects and use its best endeavours to strengthen the Board.

The anti-McDowell faction if defeated were not inactive, and when in April, 1898, the Committee of Shareholders announced that they had selected a new Board of commercial non-salt men and recommended their election, the committee of the Salt

Union Shareholders' Association, headed by Dr. McDougall, issued a counterblast. They pointed out that Mr. McDowell, as shareholder and agent of the Salt Union, was acting in the dual capacity of buyer and seller, and that it would be disastrous to entrust the entire control of the Salt Union, to a Board nominated by that gentleman. The two committees bombarded the shareholders with circulars, and the existing directorate appear to have exerted themselves in vain to bring about a combination of both parties and induce them to fill up the vacancies on the Board by an unanimous vote. At the eleventh hour, however, the two committees met, and it was announced at an Extraordinary Meeting that while Mr. McDowell was pledged to his nominees, he entertained a strong hope that when two vacancies would shortly take place on the Board, they would be filled by selections from Dr. McDougall's list. This arrangement was regarded by the chairman as an indication that the Union could really be united and that everybody connected with the concern had its prosperity at heart.

The first Annual Meeting held in Liverpool and the tenth in the history of the Salt Union, took place in March, 1899, and was presided over by Mr. George Henry Cox, the deputy-chairman. It was reported that the transference of the head office from London to Liverpool had resulted in "economy and advantage" to the Company, but they were not evidenced by the accounts. The tonnage has still further decreased, the net profit was transformed into a loss of £21,200, and no dividend was declared on either the preference or the ordinary shares. The ordinary shares which were quoted at £11 11s. 10d. in 1889, and were £2 10s. in 1887, had fallen to £1 13s. 9d. in 1889, and they have since steadily declined to their present (October, 1913) market price of 7s. The chairman announced that the policy of the new Board embraced the selling, as opportunity offered, of the Company's surplus properties, reserving the brine and the salt and mineral lands, and the guarding of their lands against competitors—in other words, the practice of the system of locking up the Cheshire salt lands

which has been the target of so much recent criticism. The Board were considering many reforms, including the suggestion from a shareholder as to "whether so much of the Company's capital has not actually disappeared as to render further trading impossible." The chairman disarmed criticism by declaring that if the new Board had contemplated the magnitude of the work that lay before them, very few of them would have undertaken the job at all. A suggestion that the payment of the directors should cease, was met by the chairman with the confession that he would be pleased to resign his place next day if anyone could be found who would do the work "for the love of the thing." Dr. McDougall, the ex-chairman of the abortive committee of the Salt Union Shareholders' Association, fired off a whole string of questions at the chairman and reminded the Board that, at the previous meeting, it had been arranged that in the event of vacancies occurring on the direction of the Company, two outside people would be appointed to the Board. The chairman replied that they were "a compact Board, working together," and reminded the meeting of the old adage that "too many cooks spoil the broth."

During 1899 the management and staff underwent some reorganization, but the decrease in the tonnage was not arrested. The Union had entered into a new combination for regulating salt prices, and several small lots of the Company's superfluous property had been sold. The Board claimed that this represented a satisfactory year's work. It transpired, in answer to a question on the subject, that the expenses of Mr. McDowell's committee, to the amount of £484, had been defrayed out of the funds of the Salt Union.

Two pieces of unconscious humour enlivened the proceedings. The first was contributed by Mr. Fells. In recent years the Salt Union had fought and bled gold, if not corpuscles, in their attempt to maintain that brine pumping did not cause the subsidence from which the entire salt region was suffering. In the end they lost their case and now Mr. Fells explained that the Salt Union was

itself a big sufferer from subsidence in the Northwich area, and he appealed to the chairman to approach the other brine pumpers in the district and, by his tact and diplomacy, to obtain from them a substantial amount of compensation for the damage they were inflicting upon the Union by their pumping operations. The second touch of humour emanated from Mr. Frederick Walker, the ex-secretary of Mr. McDowell's Committee of Shareholders which had placed the existing Board in office. He had listened with sorrow to the proposals to economise in the matter of directors' fees. He declared that the £2,627 10s. 8d. paid to the Board for their services was insufficient, and he proposed that an extra sum of £1,000 should be divided amongst them. The motion was not put to the meeting, as the chairman, in replying to this generous suggestion, announced that the Board had no wish to accept more remuneration until the Company was in a better position. But the chairman did not state, as one thinks it was his duty to have done, that in addition to the £2,627 10s. 8d. which figured in the balance sheet, the directors were receiving a further £2,000 which was charged under the heading of Administration Expenses. They evidently considered, however, that it was injudicious to continue to mislead the shareholders in this matter, and in the next balance sheet the directors' remuneration was clearly stated at £4,852. The accounts show that during the ensuing ten years the Board never received less than £4,852 in any one year, while for eight of those years their fees amounted to over £5,000 per annum, and in 1904, although only six directors were acting, the fees and payments to the Board reached a total of £5,883. As Mr. Walker has made no further observation on the subject of the inadequacy, or otherwise, of the directors' remuneration, it is possible that he may have overlooked these interesting figures !

In the first year of the present century, the Board, while coquetting with a plant for the recovery of ammonia, announced that their soap works, of which so much had been anticipated, were in the market and only a reasonable price would be asked of

TABLE OF DIRECTORS' FEES, LAW CHARGES AND ADMINISTRATION EXPENSES.

Year.	No. of Directors.	Directors' Fees, Travelling Expenses, &c.	Law Charges, Stamp Duties, Preliminary and Parliamentary Expenses.	Administration Expenses.
		£ s. d.	£ s. d.	£ s. d.
1889	14	9,594 17 4	12,546 6 7	27,214 9 11
1890	14	8,545 12 2	12,546 6 7	31,303 5 2
1891	9	6,082 15 9	12,546 6 7	29,305 13 2
1892	8	2,888 7 10	12,546 6 7	26,856 2 5
1893	8	2,994 5 9	12,546 6 7	27,731 5 4
1894	7	2,769 19 7	3,631 6 0	29,961 3 8
1895	7	2,564 13 7	4,410 0 9	32,749 7 3
1896	7	2,574 18 2	7,110 1 8	32,449 14 8
1897	6	2,429 13 9	5,175 10 0	25,801 11 11
1898	7	2,605 8 11	1,311 3 11	22,255 18 0
1899	7	2,627 10 8	468 2 6	30,739 12 9
1900	7	*4,852 9 5	1,100 2 5	28,407 17 1
1901	7	5,162 3 8	594 12 4	29,611 3 3
1902	6	5,303 2 9	538 1 6	29,200 18 7
1903	7	4,871 8 10	801 12 7	28,460 19 9
1904	6	5,883 15 0	1,721 5 10	29,076 18 0
1905	6	5,323 5 0	1,147 7 9	28,633 17 7
1906	6	5,086 10 0	604 12 1	27,662 12 8
1907	7	4,987 10 0	190 10 3	28,191 7 10
1908	7	5,628 5 8	323 8 1	30,035 6 6
1909	7	5,200 0 0	533 7 2	29,105 2 4
1910	7	5,200 0 0	670 11 6	29,849 19 1
1911	6	4,875 0 0	680 8 6	30,196 4 8
1912	6	4,800 0 0	4,434 10 9	29,184 17 8
		£112,851 13 10	£98,178 8 6	£693,985 9 3

* The Directors' Fees for the previous years appear to be lower, but they were not so, further fees having been paid under the heading of Special Services of Directors and included in Administration Expenses.

The items for Law Expenses for the years 1889-1893 include Government stamp duties in connection with the purchase of the properties which were divided over the first five years.

a prospective purchaser. The politeness with which the Board listened to a shareholder's suggestion as to the desirability of reconstructing the Company, seemed to show that the idea had already been discussed by the directors and, at the Annual Meeting in 1901, a proposal was submitted for writing off £1,400,000 of the capital of the Union. In the course of a long and heated discussion, one dejected ordinary shareholder protested that if the holders of ordinary shares "are to stand still and take this scheme, we may as well shut up for ever, for we shall never get a penny." The meeting took the scheme and the pessimistic shareholder's prophecy was happily falsified in 1908 when a dividend of 1s. per share was declared on the ordinary shares—since when the Salt Union has paid no other.

By 1903 the Board had decided to erect works at Weston Point for the manufacture of sulphate of ammonia as a by-product. At this meeting Mr. Lowden offered the Union, as a free gift, a new process for making salt for which he claimed that it utilized all the heat of the fuel, instead of wasting 50 per cent.; it used a good portion of the steam arising from the brine-pans when in work, and effected other economies. Mr. Lowden declared that his method had been tried on a commercial scale at the Salt Union works and had effected an enormous reduction in the cost of making salt. The chairman explained that the Board had declined the offer as counsel advised them that the patents were not valid. He subsequently admitted that the directors did not believe in the patent and their decision may have been affected by the fact that they had already arranged to instal the Mond producer plant at Weston Point. This was completed at a cost of £47,000 in 1904, and in the following year Mr. Fells regretted that the Board, after twelve months' experience of the Mond plant, could not come to a definite conclusion as to the economies it effected in the manufacture of salt. In view of the fact that the Board were erecting a Vacuum plant at Winsford, it was evident to him that the Mond plant had been adopted either too soon or too late. Mr. Fells further pointed out that as the result of the past

six years' work as compared with the previous six years, the price of salt was less by $2\frac{1}{2}$ d. per ton and the cost of manufacture was $9\frac{1}{4}$ d. per ton higher, while in the same period the Union's trade had decreased by nearly 25 per cent.

The tale of the Salt Union's activities in 1905 was told in a report announcing decreased tonnage, a diminution of profits, the passing of the preference dividend and a sum of £169 13s. 6d. carried forward. The Salt Association had been dissolved because the poor Salt Union was not getting fair play at the hands of outside makers. The chairman maintained that the Association was not a good thing for the Union and the Board had done wisely in terminating the arrangement, but in the course of the same speech he must have bewildered the shareholders by admitting that the loss of profit was "mainly due to that Association coming to an end." A new combination, the North Western Salt Co., Ltd., came into existence in the following year, and the chairman of the meeting held in 1907 expressed the belief that the Union had arrived at "a thoroughly sound and practical working scheme for regulating the tonnage and prices of the salt world as a whole." The Vacuum pans had worked continuously, a remodelling of the existing salt plant and warehouses at Weston Point would be undertaken, and the Board were satisfied that they had adopted the right course in establishing the new process. The law action against Messrs. Brunner, Mond & Co. had failed in the Lord Chief Justices' Court, for, while it was decided that Messrs. Brunner, Mond had been extracting the Salt Union's brine and mineral, the Union could not legally prevent them from so doing. The Board announced their intention of appealing against that decision, but wiser counsels prevailed; and by the Annual Meeting in 1908 a settlement had been arranged by which the chemical firm paid the Union £125,000 and received from them the transfer of some 350 acres of land and minerals in Northwich, while both sides paid their own law costs.

The fluctuations in the fortunes of the Salt Union during the past five years have alternately disappointed and mildly flattered

the shareholders. The years 1908 and 1909 were marked by decreased tonnage and shrinkage in the net profits; in 1910 there was an improvement in both particulars, and this encouraging result was repeated in 1911. But 1912 witnessed a new development in the Company's trading, and while the tonnage had increased by the negligible margin of 6,000 tons, the profits showed a falling off of no less than £45,000.

With the revival of business in 1908 the Board became more optimistic, and the announcement that the Company was broad awake to the necessity of abandoning old "rule of thumb" methods and recruiting brains upon the executive staff, was coupled with the prediction that a gradual improvement in trade might be anticipated. This hope was not fulfilled in 1909 and the ordinary shareholders, at the meeting held in 1910, were assured that the protracted absence of dividends was "due to the original sin of over capitalization." But the Board announced their decision to employ £115,000 out of the £125,000 received from Messrs. Brunner, Mond & Co. in establishing a Vacuum plant at Weston Point, and the chairman indignantly denounced the action of the "busybodies of central Cheshire" in challenging the Union's right to pump brine out of the salt district to be manufactured into salt at Weston. The directors also warned the trade that if the termination of the North Western Salt Company's operations in 1911 was followed by a scramble for tonnage, the fight would be continued until all the producers had succeeded in losing a great deal of money.

In 1911 the "mischievous and mistaken" agitation against the Marbury pipe line was persisted in; the subscribers to the North Western salt combination declined to renew their agreements with the Company, and the Salt Union and six other salt firms formed the British Salt Association, Ltd., in competition with ten manufacturers who remained outside the new combine. At the Annual Meeting held in March of the present year, it was learnt that the British Salt Association had been disbanded, the solar salt imports were nearly doubled, the strike among the salt men

had disorganized trade in Middlesbrough, and the directors could hold out "no hope for an eventual return to the prices ruling in the previous three or four years."

Only one piece of satisfactory news had the Board to impart to the shareholders, and that was the information that the Brine Pumping (Cheshire) Bill, 1912, had been successfully resisted. The directors congratulated the shareholders cordially on this termination of a protracted struggle, but seeing that the local people, who promoted and supported the Bill, were only trying to prevent the Salt Union from doing what the Salt Union had consistently prevented other people from doing since their incorporation, it is questionable whether the chairman was justified in stigmatizing the action of the local authorities as an "altogether monstrous attempt to interfere with the natural course of trade." But the attitude of the Salt Union on the subject of the "natural course of trade" has always been curiously narrow and, if one dare to say so, singularly selfish. In his speech at this meeting, the chairman deplored these efforts to restrict trade; immediately afterwards, he declared that "the greatest enemy of the trade is the overproduction of salt," and he announced with regret that "further additional tonnage is about to be created." By a policy of locking-up salt lands, conspiring with Messrs. Brunner, Mond to resist competitive invasion, and opposing the laying of every pipe save their own Marbury conduit to Weston Point, the Salt Union have consistently strained every nerve to restrict trade and preserve a monopoly. If Lord Ribblesdale, who presided over the Brine Committee, described the Salt Union as "good men struggling against adversity"—a remark the chairman quoted with some pride—I should be inclined to question their goodness and to add that the adversity they have suffered has been mainly of their own making.

The perusal of the following pages will, I think, convince the impartial reader that the main factor in the failure of the Salt Union lies in the inflated prices they paid for the properties in the

first instance. The scheme was plausible enough, and the business should have achieved success if the properties had been acquired on anything like reasonable terms, and the Union had not been handicapped, at the start, with a collection of absurd, indefinite and incomplete agreements. These impossible contracts have involved the Company in incessant and costly litigation and heavy losses, in respect of which payments have been and are being made every year. It cost the Union £60,000, in addition to substantial law costs, to settle the Corbett case, and although they won the Deakin action they had to liquidate their own heavy bill for legal expenses. The Ashton agreement was never contested in the Courts, but it met with the disapproval of the old directors and it has cost the Company thousands of pounds which the McDowell family have collected in the shape of commissions on sales of branded salt from Ashton's Works, although the original purchase price ought to have covered the goodwill in the brands, trade marks, etc.

That the Salt Union would have proved a commercial success if it had been properly organized and carefully managed, I am not prepared to deny. The inefficiency of the original organization speaks for itself, and the defect in the management is revealed in the fact that the Company which, up to 1912, disbursed £1,242,199 for debenture interest and made a net profit of £1,953,930, was mulcted in the following totally disproportionate charges :—

	£	s.	d.
Directors' Fees and Expenses	112,851	13	10
Law Charges, Preliminary and Parlia- mentary Expenses	98,178	8	6
Administration Expenses	693,985	9	3

In conclusion I would only say that although I have attempted to keep this introduction within moderate space limits, the variety and interest of the many points calling for consideration has compelled me to exceed the number of pages I intended to devote to the subject. Indeed, the subject would not be exhausted

under an entire volume, and further volumes might, and I hope will be written, if time and opportunity permits, on the ramifications between the Salt Union, Messrs. Brunner, Mond and the River Weaver Navigation. I have not found room in this little book to deal with the amazing manner in which Messrs. Brunner, Mond and the Salt Union have contrived to tie up the salt lands of Cheshire, but it is a topic that cries aloud for publication, and when the details are printed they will read like a romance.

ALBERT F. CALVERT.

ROYSTON,

ETON AVENUE, N.W.,

1st November, 1913.

LIST OF PROPERTIES PURCHASED BY THE SALT UNION AND THE PRICES PAID TO VENDORS

FOR SAME, MAKING A TOTAL OF £3,337,469.

<i>Vendors.</i>	<i>Property.</i>	<i>Price paid to Vendors.</i>	<i>Present Position.</i>
NICHOLAS ASHTON & SONS.	Ashton's Salt Works.	£ 115,000	
CHESHIRE AMALGAMATED SALT WORKS Co., LTD.	Wharton Salt Works, leasehold. Whitehall, Malkin's Bank & Wheelock Works, freehold. Northwich Works.	180,000	Part dismantled. Sold to B., M. & Co.
THOS. HIGGIN & Co. (The Eureka Salt Manufacturing Co.)	Anderton Salt Works, leasehold 21 years from 1880, rental £640 per annum. Worboise Eye Works, at Winnington, leasehold 20 years from 1886, rental £260 and 9d. per thousand gals. brine used.	102,150	 Sold to B., M. & Co.
WHEELLOCK IRON & SALT Co., LTD.	Salt works, leasehold, 21 years from 1888, at £450 per annum. Leasehold salt works. Old salt works. Bottom pumping station.	30,500	
BRITISH SALT Co. (Messrs. Steenstrand & Kirkham).	British Salt Works, Anderton, held under lease 21 years from 1888.	39,000	

<i>Vendors.</i>	<i>Property.</i>	<i>Price paid to Vendors.</i>	<i>Present Position.</i>
JOHN THOMPSON.	Willow Bank Salt Works, Over. Lease expiring 1904 at £95 per annum. Witton Hall Salt Works, Northwich, lease 30 years from 1888, at a rental of £320 per annum, and 3d. per ton royalty. Witton Hall Salt Mine, lease for 30 years from 1888, at £550 per annum.	£ 40,000	Sold to B., M. & Co.
T. H. MARSHALL.	Salt works, about 3½ acres. Salt mine at Dunkirk, about 6 acres. A field, about 5½ acres, under which rock salt has been excavated. About 7 acres of land in Witton.	12,500	Sold to B., M. & Co.
JOHNSON FLETCHER.	Mining rights under about 7 acres of freehold land. Rock salt mine, with 2 shafts, at Ollershaw.	6,700	Dismantled.
JOHNSON FLETCHER & OTHERS.	Ollershaw Lane Works, occupied by Messrs. Fletcher & Rigby.	6,500	Dismantled.
H. I. THOMPSON.	The Island Salt Works, Winsford, 2 acres, lease 30 years from 1888, £400 per annum. The Willow Bank Salt Works, Over, near Winsford. Witton Hall Salt Works, Northwich. Witton Hall Rock Salt Mine, Northwich.	30,000	Dismantled.

<i>Vendors.</i>	<i>Property.</i>	<i>Price paid to Vendors.</i>	<i>Present Position.</i>
THOMAS GIBSON & Co.	Anderton Salt Works.	£ 12,000	
JOHN H. PADGETT.	Brookdale Salt Works, lease expiring 1894, renewable for ten years to 1904.	11,000	Dismantled.
PARKS BROTHERS.	Wincham.	9,769	Dismantled.
WM. PARKS.	Ollershaw Lane Salt Works.	2,100	Dismantled.
Mrs. KATHERINE LOVETT.	Anderton Salt Works.	6,750	Sold to B., M. & Co.
JOSEPH VERDIN & SONS.	Witton Brook Salt Works.		
	Meadow Salt Works.	630,000	
	Birkenhead Works.		
	Up Loont Works.		
	Newbridge River Works.		
	Newbridge Railway Works.		
	Knight's Grange Works.		Dismantled.
	Marston Works.		
	Ollershaw Lane.		
	Victoria Works.		
	Baron's Quay.		
	Glade Hill Property.		
	Moulton Estate.		Sold to B., M. & Co.
DROITWICH SALT COMPANY, LTD.	Salt Works at Droitwich, freehold and leasehold.	125,000	
GEORGE DEAKIN, LTD.	Boston, Wharton, and Over Salt Works, Winsford.	225,000	Part dismantled.
JOSEPH EVANS.	Salt Works at Winsford.		Part dismantled.
	Wharton Salt Works.	110,000	
	Dutch Salt Works, at Over.		Dismantled.

<i>Vendors.</i>	<i>Property.</i>	<i>Price paid to Vendors.</i> £	<i>Present Position.</i>
HERMAN E. FALK.	Meadow Bank Works.	105,000	Nearly all dismantled.
WM. WORTHINGTON, SENR.	Leftwich Salt Works. Wittön Salt Works, Northwich.	130,000	Sold to B., M. & Co.
STUBBS BROS.	National Works, Winsford. Little Meadow Salt Works, Winsford.	231,000	Part dismantled. Dismantled.
THOS. RAYNER & CO., LTD.	Wincham.	35,000	Dismantled.
MARSTON HALL SALT CO., LTD.	Marston Hall Works.	33,000	Dismantled.
SIMPSON DAVIES & SONS.	Meadow Salt Works, Winsford. Moulton Hall Salt Works, Winsford. Pigott's Works, Winsford.	32,000	Dismantled.
W. & R. HICKSON.	Knight's Grange Salt Works, Over, Winsford.	34,500	Part dismantled.
WM. HICKSON.	Winnington New Works. Bye Flat Works, Winnington.	38,500	Land belongs to B., M. & Co.
A. J. THOMPSON.	Alliance Salt Works, Northwich.	17,000	Dismantled.
FLETCHER & RIGBY.	Marston Old Rock Salt Mine and White Salt Works.	14,000	Dismantled.
YEOMANS & CO.	Wincham Old Salt Works.	8,000	Dismantled.
GEORGE CAPPER.	Winsford.	4,660	Dismantled.
EDMUND LEIGH.	Winsford.	2,000	Dismantled.

<i>Vendors.</i>	<i>Property.</i>	<i>Price paid to Vendors.</i>	<i>Present Position.</i>
JAMES PLATT & SON.	Albert Salt Works, Marston.	£ 3,290	Dismantled.
JOHN DEAN.	Winsford.	1,450	Dismantled.
W. & S. WHITAKER.	Wincham.	1,500	Dismantled.
RICHARD YEOMANS.	Dairy Salt Works, Middlewich.	6,000	Dismantled.
RALPH SEDDON & SONS.	Pepper Street Works, Middlewich. Kinderton Street Works, Middlewich.	9,750	
JOHN CORBETT, M.P.	Stoke Prior Works, Worcestershire.	600,000	
DAVID CHAPLIN.	Weston Salt Works, Stafford.	4,000	
MERSEY SALT AND BRINE CO., LTD.	Weston Point, Runcorn and Marbury.	135,000	
MASSEY & BIBBEY.	Lawton Salt Works.	8,000	Lease expired, no interest left.
ALEX MISCAMPBELL.	Duncrue, Carrickfergus, Ireland.	5,000	
M. R. DALWAY & CO., LTD.	Old Distillery Works. Eden Salt Mine, Carrickfergus.	5,000	
CARRICKFERGUS SALT MINING CO., LTD.	Burleigh Hill Mine, Carrickfergus.	3,800	
SOUTH DURHAM SALT CO., LTD.	Middlesbrough.	40,000	
WATSON & SCRAFTON.	Middlesbrough.	36,350	
H. & H. WEST.	Canal boats.	1,200	
MESSRS. NEUMANN.	Marston Alliance Works.	36,000	Dismantled.

<i>Vendors.</i>	<i>Property.</i>	<i>Price paid to Vendors.</i>	<i>Present Position.</i>
THOS. PATTEN.	Northwich.	£ 1,000	Sold to B., M. & Co.
THOMAS BARROW.	Salt and brine lands, Winsford.	15,000	
THOMAS WARD.	Salt and brine lands, Witton, Northwich.	5,000	Sold to B., M. & Co.
R. D. NICHOLSON.	ditto.	400	Sold to B., M. & Co.
TOWNSHEND'S TRUSTEES.	ditto.		
A. H. SMITH BARRY, M.P.	ditto.	1,500	
R. W. WILBRAHAM.	ditto.	2,500	
LORD DE TABLEY.	ditto.	30,000	
J. K. ARMSTRONG.	Wharton Hall Farm.		
Rev. Canon HAYHURST.	Rilshaw Farm and Stock Stairs.		
Col. C. H. FRANCE HAYHURST.	Perrin's Estate.		
ROGER W. WILBRAHAM.	Bostock Estates.	500	
	Davenham Hall Estates.		
	Weaver Estate.		
	Clive Estate.	2,500	
	Beckton Estate.		
	Nantwich Estate.		
THOS. HENRY LYON.	Marston.		
RICHARD HENRY DONE.	Winsford.	2,000	
PHŒNIX SALT AND LIME CO.		£3,337.469	

I understand that the following Properties were purchased by the Salt Union, but I have been unable to trace them in the agreements:—

<i>Vendors.</i>	<i>Property.</i>	<i>Price paid.</i>
TOWNSHEND'S TRUSTEES ..	Brine, Lands, Northwich ..	£ 110,000
RUNCORN SOAP AND ALKALI COMPANY	—	32,000
BELL BROS.	Middlesbrough	120,000

SOME OF THE PROPERTIES PURCHASED BY THE SALT UNION, LTD., TOGETHER WITH PRICES PAID TO
VENDORS (WITHOUT PROMOTERS' PROFITS) AND PRESENT POSITION, SHOWING THE EXTENT OF
DISMANTLING AND DEPRECIATION.

<i>Vendors.</i>	<i>Property.</i>	<i>Purchase Price.</i>	<i>Present Position.</i>
CHESHIRE AMALGAMATED SALT WORKS.	Wharton Works. Whitehall.	£ 180,000	Part dismantled.
THOS. HIGGIN & CO.	Northwich Works. Anderton Works. Worboise Works.		Sold to Brunner, Mond & Co. Now being worked. Dismantled, land sold to Brunner, Mond & Co.
JOHN THOMPSON.	Witton Hall Works. Witton Hall Mine.	40,000 12,500	Sold to Brunner, Mond & Co. Sold to Brunner, Mond & Co.
T. H. MARSHALL.	Dunkirk.	6,700	Dismantled.
JOHNSON FLETCHER.	Ollershaw.	6,500	Dismantled.
JOHNSON FLETCHER AND OTHERS.	Ollershaw.	11,000	Dismantled.
JOHN H. PADGETT.	Brookdale Works.	9,769	Dismantled.
PARKS BROS.	Wincham.	2,100	Dismantled.
WILLIAM PARKS.	Ollershaw.		Dismantled.
MRS. K. LOVATT.	Anderton Works. Witton Brook Works.	6,750	Sold to Brunner, Mond & Co.
JOSEPH VERDIN & SONS.	Knight's Grange Works. Baron's Quay.	100,000 225,000	Dismantled. Sold to Brunner, Mond & Co.
G. DEAKIN, LTD.	Wharton and Over.		Part dismantled.
JOSEPH EVANS.	Winsford and Over.	110,000	Part dismantled.

<i>Vendors.</i>	<i>Property.</i>	<i>Purchase. Price.</i>	<i>Present Position.</i>
H. E. FALK.	Meadow Bank.	£ 105,000	Nearly all dismantled.
WILLIAM WORTHINGTON, Senr.	Leftwich and Witton.	130,000	Witton, Sold to B., M. & Co.
STUBBS BROS.	Winsford.	231,000	Nearly all dismantled.
T. RAYNER.	Wincham.	35,000	Dismantled.
MARSTON HALL SALT CO.	Marston Hall.	33,000	Dismantled.
SIMPSON DAVIES.	Meadow Salt Works.	32,000	Dismantled.
	Moulton and Pigotts.		Still working.
WILLIAM HICKSON.	Winnington and Bye Flat.	38,500	Land belongs to B., M. & Co.
W. & R. HICKSON.	Knight's Grange, 20 pans.	34,500	Nearly all dismantled, 6 pans left, only 2 working.
A. J. THOMPSON.	Alliance Works.	17,000	Dismantled.
FLETCHER & RIGBY.	Marston Works.	14,000	Dismantled.
YEOMANS & Co.	Wincham.	8,000	Dismantled.
G. CAPPER.	Winsford.	4,660	Dismantled.
E. LEIGH.	Winsford.	2,000	Dismantled.
J. PLATT.	Albert Mine.	3,290	Dismantled.
JOHN DEAN.	Winsford.	1,450	Dismantled.
W. & S. WHITAKER.	Wincham.	1,500	Dismantled.
R. YEOMANS.	Middlewich.	6,000	Dismantled.
R. SEDDONS.	Middlewich.	9,750	Being worked by Seddons.
NEUMAUN.	Marston Alliance.	36,000	Dismantled.
MASSEY & BIBBEY.	Lawton Works.	8,000	Lease expired.
		£1,563,119	

THE MARBURY PIPE LINE.

The Marbury Pipe, through which the brine raised at Marston, near Northwich, is pumped a distance of eleven miles, *via* the Marbury Pumping Station to Weston, where it is manufactured into salt, is of considerable interest. It is interesting in the first place because the future of the Salt Union largely depends upon its Weston works in which the Cheshire brine is treated, and in the second by reason of the litigation in which it has involved the Union and the Cheshire authorities, and it is thought that the appended copies of the prospectuses connected with its initiation might be appropriately reproduced in a book of this nature.

The Marbury Pipe was laid in or about the year 1882, previous to which no brine had been conveyed outside the salt district. The Mersey Salt and Brine Company, which was responsible for its construction, was a small affair, and it was not thought at the time that the pipe would bring Weston into serious competition with the industry of the salt towns. The Weaver Trustees practically ignored it, and the private landowners over whose lands it was laid consented to its construction. The North Staffordshire Railway Company objected to the pipe being carried across their Trent and Mersey Canal, as such a proceeding was expressly prohibited by their Act of Parliament; but the Mersey Salt and Brine Company persisted in its enterprise in defiance of this objection, and five years later it silenced the railway company's importunities by consenting to pay a rental of £5 a year, and to remove the pipe on receipt of a three months' notice requiring it to do so. When the Salt Union was formed in 1888, they absorbed the Mersey Salt and Brine Company, and became the owners of the Marbury Pipe. In 1910 the pipe was enlarged, and powerful pumping engines were erected at Marbury capable of forcing hundreds of millions of gallons of brine to Weston.

What had been a very small undertaking in 1882 had become so serious a matter by 1910 that the North Stafford Railway, acting on counsel's advice, gave notice to the Salt Union requiring them to remove the pipe on 31st March, 1911. The Union ignored the notice, and the local authorities of Northwich, Winsford and Middlewich resolved to apply for a Bill "to regulate the conveyance of brine pumped, raised and gotten in the County of Chester, and for other purposes." In 1900 the Salt Union paid £1,100 in opposing the Widnes Brine Bill, because, "If they could have brought brine across in Lancashire, it would have seriously injured Cheshire." In 1912 the Salt Union as strenuously opposed any interference with the bringing of brine from Northwich to Weston because it was beneficial to their own interests, and the interests of the Cheshire salt district, which were seriously injured by it, became a matter of supreme indifference to them. The

first draft of the Bill was amended by a clause permitting the Salt Union to pump 250,000,000 gallons of brine annually through the pipe, and by another clause allowing manufacturers to convey brine through pipes from one set of works to another within the salt district. On the strength of these amendments Messrs. Brunner, Mond & Co. withdrew their opposition to the projected measure, but the Salt Union refused to negotiate until the Bill was withdrawn. They ventured to predict that the measure would be ridiculed by the Parliamentary Committee, and thrown out on the first day it came before them. In point of fact a Select Committee in the House of Lords thrashed out the question for eleven days in May and June, 1912, but only to find, in the end, that the Bill could not proceed.

THE MERSEY SALT & BRINE COMPANY, LIMITED.

Incorporated under the Companies Acts, 1862 to 1880, by which the liability of Shareholders is limited to the amount of their Shares.

CAPITAL, £250,000,

IN 25,000 SHARES OF £10 EACH.

FIRST ISSUE OF 20,000 SHARES.

Payable 10s per Share on Application, 10s. on Allotment, and the Balance in calls not exceeding £2 per Share, at intervals of not less than Three Months.

IF NO ALLOTMENT BE MADE, THE DEPOSIT WILL BE RETURNED IN FULL.

Provision has been made for vesting £10,000 in the hands of Trustees, to secure payment of Interest half-yearly, at the rate of 5 per Cent. per Annum, during the period of construction.

TRUSTEES.

The Honorable NORMAN GROSVENOR, 35, Park Street, Grosvenor Square
GEORGE BEHREND, Esq. (Messrs. BARR, BEHREND & ROSS), Liverpool

DIRECTORS

The Right Honorable HENRY CECIL RAIKES, Llwynegryn, Mold, and St. Martin's House, Chester (*Chairman*).
LIGHTLY SIMPSON, Esq., Director (late Chairman) of the Great Eastern Railway Company (*Vice-Chairman*).
T GRAHAM BALFOUR, Esq., F.R.S (Director City of Glasgow Life Assurance Company)
The Honorable ASHLEY G. J. PONSONBY (Director of Submarine Telegraph Company)
GEORGE STEWARD HAZLEHURST, Esq., The Elms, Runcorn.
JAMES LAWRIE, Esq. (JAMES LAWRIE & Co.), 63, Old Broad Street, E.C.

BANKERS

NATIONAL PROVINCIAL BANK OF ENGLAND (L^d). 112, Bishopsgate Street Within, E.C. (also Manchester, Liverpool and Branches).

Messrs. RANSOM, BOUVERIE & Co., 1, Pall Mall East, S.W

PARR'S BANKING COMPANY Warrington, Runcorn, Widnes, and Branches.

SOLICITORS

Messrs BAXTERS & CO., 5 & 6, Victoria Street, S.W

BROKERS.

Messrs TATHAM, ROBINSON & HENRY, London

Messrs T & T G IRVINE, Liverpool.

Messrs. FIELDER & ABERCROMBIE, Manchester

AUDITORS.

Messrs. QUILTER, BALL & Co, 3, Moorgate Street, E.C

ENGINEER.

J F BATEMAN, Esq. C.E., F.R.S &c., &c 16, Great George Street, Westminster, S.W.

SECRETARY

Mr JOHN WILSON THEOBALD

OFFICES

No 8, DRAPERS' GARDENS, LONDON, E.C.

PROSPECTUS

THIS COMPANY is formed for the purpose of raising Brine from the great salt deposits on the Estate of A. H. Smith-Barry, Esq., of Marbury, Cheshire, conveying it in iron pipes to the Port of Runcorn on the Mersey, and erecting there extensive Works capable of ultimately producing 200,000 tons of Salt per annum, by which

means it can be manufactured at a cost considerably less than at existing works in the Salt Districts, and also generally for the purposes specified in the Memorandum of Association. The arrangements will include the supply of Brine in its natural state to the Chemical Manufacturers of Runcorn, and a subsequent extension to Widnes and St. Helens is also contemplated.

With these objects in view, the Company acquires the transfer of a very valuable agreement from Mr. Smith-Barry for lease for a term of 99 years, at royalties under 2d. per ton of salt—the rates ordinarily paid in the Districts being about 6d. per ton. Important way-leaves over all the intervening estates, enabling the Brine to be conveyed from Northwich to Runcorn, a distance of 13 miles, have also been arranged, and an admirable site has been arranged for the Works at the latter town, in close proximity to the Dock and Basin of the Bridgewater Navigation, and including siding, communication with the London and North Western Railway.

By virtue of these leases and way-leaves the Company will possess special, if not absolutely exclusive, advantages for the SUPPLY OF BRINE to the great consuming centres.

The Salt trade, with the exception of Coal and Iron, is the most important mineral industry in the Kingdom.

The Cheshire Salt District yields four-fifths of the total supply, furnishing 1,000,000 tons per annum for export from Liverpool, and upwards of 400,000 to the Chemical Works of Widnes and the neighbouring towns.

The existing Salt Works in the Cheshire district, though carrying on a prosperous trade, are subject to heavy charges in respect of dues, freights, &c., on Salt shipped *via* the river Weaver to Runcorn and Liverpool, the rates charged to the trade being 2s. 6d. and 3s. 6d. per ton respectively; the cost of common Salt at Northwich being about 6s. per ton. If destined for export from Runcorn, Salt under the present system requires transhipment from the barges into seagoing vessels. These heavy charges will be avoided, and this Company will be in a position to command the bulk of the coasting and foreign trade from Runcorn, averaging at present 200,000 tons per annum, and also largely supply the Liverpool Market.

Coal or Slack, which is largely consumed in the manufacture of Salt, is cheaper at Runcorn than at Northwich.

By acquiring the various concessions above detailed, this Company will effect a saving equivalent to 20 per cent. on all Salt manufactured at the Runcorn Works; and this in addition to the saving in the cost of coal, while the exceptionally favourable rates on which the royalties are based will enable the Brine to be delivered at Runcorn at lower charges than are generally paid by the salt manufacturers at Northwich.

After the most careful calculations, including the cost of wear and tear, &c., it is anticipated that the profit on the manufacture of Salt alone at Runcorn will enable the Company to pay dividends of at least 20 per cent. on the capital subscribed.

A further source of eventual profit is anticipated from the supply of Brine in its natural state to the chemical manufacturers of Widnes, St. Helens, and Runcorn, for utilisation in various branches of their trade. If satisfactory arrangements can be made with the authorities and manufacturers, the Directors will be willing to supply Widnes with Brine by means of lighters, as soon as possible after the completion of the line of pipes from Northwich to Runcorn.

The Salt Works in the Northwich district, in consequence of the continual extraction of Brine, are subject to such occasional subsidences as occurred in December last, when Six Works were disabled. The Works of the Company at Runcorn will not be subject to such contingency; they will be built upon solid ground nearly 13 miles distant from the Salt Districts.

Particular attention is called to the annexed Report of J. F. BATEMAN, Esq., C.E., F.R.S., the Company's Engineer, in which the works for raising the Brine and conveying it to Runcorn are described as of a very simple character. Mr. Bateman estimates their cost, exclusive of that of the Evaporating Works, at £106,000. Contracts have been entered into with Messrs. Smith, Finlayson & Co., of Westminster, for the execution of the general works, and with Messrs. James Watt & Co., of Soho, Birmingham, for the machinery, at prices within the above estimate.

The various agreements for leases and wayleaves have been granted to Mr. Thomas Cogan Horsfall, but only as agent for Mr. Godfrey Joachim Aman, who is the promoter of the Company, and who joins Mr. Horsfall in the assignment of these agreements.

The price agreed to be paid to Mr. Aman for the transfer of these very valuable agreements is the sum of £27,500 in cash, together with 1,250 fully paid-up shares in the Company of £10 each. Mr. Aman will pay a sum of £10,000 to the trustees, in order to provide interest at the rate of 5 per cent. per annum on the paid-up Capital of the Company during the period of construction up to the delivery of the Brine at Runcorn. He also bears and will indemnify the Company against all expenses incidental to its formation, with the exception of the charges of its own solicitors, and a sum equivalent to 1½ per cent. on the amount of the present issue to pay for brokerage, &c.

Application will be made to the London Stock Exchange for an official quotation of the Shares of the Company.

The Contracts which have been entered into are the following, and may be seen at the offices of the Solicitors to the Company, Messrs. Baxters & Co., 5 and 6, Victoria Street, Westminster:—

One dated the 29th day of March, 1881, made between Thomas Cogan Horsfall of the first part, Godfrey Joachim Aman of the second part, and Thomas John Woods, a Trustee for the Company of the third part, being the Agreement for purchase by which the Company will acquire the Agreements for Leases therein set forth, subject to the performance of the obligations by such Leases and Agreements for Leases imposed upon the Lessee:—

One dated the 15th day of February, 1881, between Arthur Hugh Smith-Barry and Thomas Cogan Horsfall

One dated the 10th day of January, 1881, between Thomas Clarke and John Higginfield and Thomas Cogan Horsfall

One dated the 13th day of January, 1881, between Charles James Lawton and Thomas Cogan Horsfall

One dated the 4th day of March, 1881, between Algernon Charles Talbot and Thomas Cogan Horsfall

One dated the 30th day of March, 1881, made between the said T. C. Horsfall of the first part, the said G. J. Aman of the second part, and the said T. J. Woods of the third part, and the Company of the fourth part, whereby

the Company ratified and adopted the above agreement of the 29th day of March, 1881.

One dated the 30th day of March, 1881, made between the Company of the one part, and Messrs. Smith, Finlayson and Company of the other part, being the above-mentioned contract for the construction of the general works

One dated the 30th day of March, 1881, made between the Company of the one part, and Messrs. James Watt and Company of the other part, being the above-mentioned contract for the construction of the machinery

One dated the 23rd day of February, 1881, and made between the Company of the one part, and Messrs. Baxters and Co., Messrs. James Watt and Co., John Frederick Bateman, Esq., Messrs. Smith, Finlayson and Co., and J. Wilson

Thornhill, Esq., of the other part, exonerating the Company from claims in respect of professional services in the event of the deposited money being returned to the Shareholders.

Application for shares may be made on the enclosed form to the Company's Bankers, Brokers, or by letter addressed to the Secretary, accompanied by the deposit of 10s. per share.

THE MERSEY SALT AND BRINE COMPANY, LIMITED.

18, GREAT GEORGE STREET, WESTMINSTER,
December 17th, 1880.

TO THE CHAIRMAN AND DIRECTORS.

GENTLEMEN,—

I some time ago examined the country between Northwich and the River Mersey at Runcorn, with the view of ascertaining the practicability and cost of constructing works for the purpose of extracting Brine from the saltiferous measures at Northwich, and conveying by cast-iron pipes from thence to Runcorn, to be there evaporated and manufactured into salt.

I am informed that arrangements have been made with Mr. Smith-Barry, M.P., the owner of the Marbury Estate, for the erection of the necessary pumping works near Anderton, and for way-leaves for the pipe through his Marbury property. Arrangements have also been made for way-leaves for the line of pipes through the land of different owners, throughout the whole distance from the Marbury Estate to Runcorn, for land for the construction of a reservoir on the summit of the ground to be crossed, and for land for the manufacturing works at Runcorn, in close proximity to the docks and canal of the Bridgewater Navigation.

No works could be easier of construction. They are simply waterworks of the most ordinary character, the water to be pumped being salt instead of fresh. The only difficulty exists in the unstable condition of the ground in which the shafts to reach the brine must be sunk, and on which the pumping stations for the extraction of the brine must be constructed.

The brine is produced by the melting of the salt rock, acted upon by the water percolating from the surface, and gradual and sudden subsidence of the ground are the consequence. The neighbourhood of Northwich exhibits abundant evidence of this action and subsidence, and ground which now appears perfectly stable may, by-and-by, give way, and a disturbance of the machinery for raising the brine may result. These circumstances and their attendant difficulties are, however, inseparable from the nature of the rock and the operations carried on, and all similar establishments are subject to them, not only in respect to their brine shafts and pumping arrangements, but their extensive works for the evaporation and manufacture of the salt, wherever the land subsides, necessitate large outlay in repairs and renewals.

In order to make reasonable provision against this difficulty, I would suggest that two stations for the extraction of the brine should be established at some distance apart, and that at each of the stations duplicate engines and pumps should be erected, so as, as far as possible, to prevent any serious interruption in the business of the Company. By the adoption of this course, we may expect that though a subsidence at one station should create temporary inconvenience and interruption, the other would probably remain undisturbed.

The brine extracted at each station would be conveyed to a site on the Marbury property, at which, from its geological condition, there need be no apprehension of subsidence. At this place, which, for convenience, should be in close contiguity to the Trent and Mersey Canal, another pumping station should be established for the purpose of forcing the brine to the summit of the ground to be passed over. This summit is reached at Seven Acres Wood on the Aston Estate, about four and a half miles from the Marbury pumping or forcing station. This ground is at an elevation of about 200 feet above the Ordnance Datum, and here a reservoir to hold a sufficient quantity of brine in reserve against the contingency of a dry season, curtailing the supply from the rock itself, would be constructed, and a pipe thence would convey the brine to the site of the proposed evaporation works at Runcorn.

The pumping or forcing station near Marbury would be placed on ground which would be about forty or fifty feet above the Ordnance Datum. The direct lift to the summit reservoir would, therefore, be about 155 feet; and allowing ten feet per mile for friction for four and a half miles, the force to be exerted would be equal to a lift of 200 feet.

It is estimated that the brine would be reached at a depth of about 200 feet, and it is proposed to establish works equal to the extraction of 1,250,000 gallons of brine per day, or about 1,200 tons of salt if all evaporated.

It would require about 105 H.P. working 12 hours per day, to lift this quantity of fresh water from a depth of 200 feet and to force the brine at Northwich, just one-fifth heavier than fresh water, the net power required would be 125 horses. The same power would be required to force the brine when lifted to the summit reservoir at Seven Acres Wood, as the height plus the friction would be the same. I, therefore, recommend that at each of the two brine pumping stations duplicate engines of 70 H.P. each, with the requisite pumps, should be erected. This *duplicate engines working together*, at either station, will raise the quantity required in ten or twelve hours, or, when both stations are at work,

In like manner the brine collected at the forcing station would be raised to the summit reservoir by two engines in duplicate of 70 H.P. each, which, working together for ten or twelve hours, would force forward the full quantity of brine, or, in case of accident or repair to one engine, the other would be sufficient for the purpose by working night and day.

From this station, a main pipe of eighteen inches in diameter would be laid across the country to the summit reservoir. This main would pass, allowing ten feet of friction per mile, over 3,000,000 gallons in twenty-four hours, or 1,500,000 gallons in twelve hours.

From the summit reservoir to the evaporating works at Runcorn, a distance of seven miles a pipe of fifteen inches diameter would be more than sufficient for the conveyance of the full quantity of brine proposed, as the process of evaporation would continue night and day.

There is no difficulty of any kind along the line of pipes, and the ground on which the summit reservoir would be constructed is extremely favourable for the purpose, both as regards the situation and the character of the material. The joints of the pipes would be made perfectly watertight by a peculiar joint which I have used for the last twenty years, and which combines the advantages of both the "turned and forced" and the "wide socket" joint.

I estimate the total cost of these works (with 10 per cent. for contingencies), exclusive of land for the summit reservoir and way-leaves, at £108,000, and the whole of the work may be completed in from twelve to eighteen months from its commencement.

The site for the manufacturing works at Runcorn presents exceptional advantages over those at Northwich in the stability of the ground—shipping facilities direct into sea-going vessels—railway communication—and cheapness of fuel.

I believe the scheme, if economically carried out and properly worked, would be highly remunerative to the Shareholders.

Your very obedient servant,

(Signed) JOHN FREDC BATEMAN.

C.E. F.R.S., London & Edin.

APPENDIX TO MR. BATEMAN'S REPORT

MICROSCOPICAL AND CHEMICAL LABORATORY.

NORTHWICH, CHESHIRE

Specific weight of Brine obtained in Northwich and its neighbourhood.

	Specific Gravity	Weight per Gallon	Weight per Cubic Foot
Captain Townshend's Shaft, Marston	1.206	12.06 lbs.	75.37 lbs.
Lord Stanley's Shaft, No. 1, Anderton	1.204	12.04	75.25
Lord Stanley's Shaft, No. 2, Anderton	1.204	12.04	75.25
British Salt Company's Shaft, Anderton	1.203	12.03	75.16
Joseph Verdis & Son's Shaft, Marston	1.206	12.06	75.37

The respective weights were taken at 60 degrees Fahrenheit, on a sensitive chemical balance.

(Signed)

CHARLES M. BLADES.

Analyst, Chemist.

NOTE.—Fresh water, specific gravity 1—Weight per cubic foot, lbs. 62.425.

SALT ASSOCIATIONS.

Long before the idea of the Salt Union engaged the attention of its ingenious promoters, salt makers had frequently and strenuously exerted themselves to obtain control of the trade and regulate prices, and, with not a little success, they closed up their ranks when occasion required, to squeeze out anyone who had the audacity to enter into competition with the salt "ring." It is not necessary to trace back the efforts of the salt men prior to 1823, when William Furnival erected works at Droitwich. Five years later Furnival appeared at Wharton in Cheshire, and attempted to get a footing in the salt industry. He had previously erected works in Belgium and France, where he found himself opposed to the combined hostility of the salt manufacturers of both countries. In France they preferred a charge against the intrusive Englishman, and succeeded in clapping him in gaol, but he made his escape after four months' incarceration, and returned to Winsford in Cheshire, where from 1830 to 1832 he was engaged in the manufacture of salt. In 1833 he published a statement of his experiences, from which one obtains some idea of the lengths to which the salt men of the period were prepared to go in dealing with their commercial rivals.

Since that time all sorts of associations, syndicates, trusts, committees, pools and companies have been formed by the persons engaged in the salt trade for the purpose of regulating the prices of the salt.

On 21st May, 1846, a general meeting of the White Salt Trade, held at the Angel Inn, Northwich, was attended by twenty-two salt makers, or representatives of salt companies. Mr. Henry Ashton presided, and a committee was appointed—

"To ascertain the Stocks of Salt now on hand and to recommend such a Curtailment of Make as they may think proper with reference to such Stocks and the prospect of demand."

Further resolutions were carried to the effect that prices of salt be fixed from this day—until some plan is arranged by the proposed committee for curtailing the make—as follows:—

Common	..	..	..	10/6
Butter	..	..	..	12/6
Shute Stoved	..	..	..	15/6
Handed Lumps	..	..	..	16/6

And that no contracts be entered into until after the next meeting.

In 1850 there was in existence a committee, or syndicate, composed of all the salt makers of Northwich and Winsford, and statements were regularly issued giving the number of shares held by each proprietor, the number

being regulated by their output of salt. These lists are so interesting that I shall take an early opportunity of publishing some of them in full elsewhere.

In the year 1866 various meetings of the salt trade were held under the auspices of the Salt Chamber of Commerce, and on 16th January, at a meeting presided over by Mr. H. E. Falk, it was resolved :—

“To leave the present make undisturbed until the 1st March, when stocks will probably be entirely consumed, and the committee then recommend the trade to resume work with their full capacities. The committee further recommend that prices shall be advanced on the 1st March for all descriptions of salt 1/- per ton.”

This committee appears to have controlled the trade for some years, and the chair, at the various meetings, was generally taken by Mr. H. E. Falk.

In the year 1877 a Salt Trade Pool was formed, presumably to deal with the altered position, as, in August of that year, the committee reported—

“That Mr. Corbett, having declined to join Cheshire in the proposed scheme for amending the position of the Trade, the Committee declare his refusal should not stop the further elaboration of the scheme.”

On 16th October, 1877, at a meeting at Northwich of the White Salt manufacturers, it was resolved to form themselves into an association called the White Salt Association. The Association issued printed sheets giving the names of the makes and pannage, &c.

In 1888 the Salt Union was formed, and the Board immediately set to work to try and regulate the prices. They had of course by acquiring so many works, obtained control of practically the whole of the output, and in many cases they had special arrangements with makers and distributors. Although they only took over the properties in November of that year, they issued, in the same month, a statement to their distributors fixing the prices at which the salt was to be sold at the works. The following table, which has been carefully compiled from the printed sheets issued by the Salt Union, will be of interest as showing the various alterations they fixed in the prices of the salt.

Table showing Prices of Salt as fixed by the Salt Union, Ltd., and circulated to the various Distributors and Salt-makers. The prices are extracted from the printed lists issued by the Salt Union, Ltd.

	1888 <i>Nov.</i>	1888 <i>Dec.</i>	1889 <i>Mar. 1.</i>	1889 <i>Nov. 1.</i>	1890 <i>Sep. 19.</i>	1891 <i>Mar. 25.</i>	1891 <i>June 19.</i>	1891 <i>Aug. 6.</i>
Middle Grain		40/-	40/-	40/-	44/-			
Brisk	40/-	40/-	40/-	40/-	35/-	30/-	30/-	30/-
Handed Squares	21/-	21/-	31/-	31/-	35/-	27/6	20/-	15/-
Broken Lumps		20/-	30/-	30/-	30/-	22/6	19/6	14/6
Common	7/6	7/6	9/-	10/6	11/6	11/6	11/6	11/6
Bay Salt Stoved		50/-	50/-	50/-	70/-	70/-	70/-	70/-
XX Rough	20/-	20/-	20/-	15/-	15/-	15/-	15/-	15/-
X Rough	18/6	18/6	18/6	13/6	13/6	13/6	13/6	13/6
Best Scotch Fishery	12/-	12/-	12/-	12/-	12/-	12/-	12/-	12/-
Second Class Fishery	11/-	11/-	11/-	11/-	11/-	11/-	11/-	11/-
Factory Filled Stove (Foreign)		15/-	15/-	15/-	15/-	15/-	15/-	15/-
Factory Filled Stove (Inland)	15/-	21/-	31/-	31/-	35/-	30/-	22/-	15/-
Broken Stoved		15/-			19/6	19/6	19/6	14/6
Fine Butter	9/-	9/-	11/-	11/-	20/-	20/-	20/-	15/-
Treble Refined Table	32/-	32/-	40/-	40/-	44/-	40/-	35/-	35/-
Extra Dairy or Fine Sifted	30/-	30/-	31/-	31/-	35/-	30/-	25/-	20/-

THE SALT UNION.

PRICES OF SALT FOR DECEMBER, 1888.

Description of Salt.	Price per ton less 5% to Distributors.	Place of delivery.	
MIDDLE GRAIN SALT	40/-	Works	
BRISK SALT	40/-	Works	Bagging, &c., in addition.
HANDED SQUARES— Inland Trade, 80 lumps to the ton	21/-	Works	Van hire, 1/8 per ton, and Railway rates in addition.
100 or 120 do. do.	22/-	Works	
Cones for Inland... ..	21/-	Works	
BROKEN LUMPS	20/-	Works	
COMMON or CLEAN BROAD for Curing, Agricultural, and purposes other than Chemical	10/6	Works	Wagon hire, 1/- per ton, and railway rate to Sta- tion of destination in addition.
Soiled Agricultural	9/6	Works	
COMMON SALT for Chemical purposes, 12 months' Contract from 31st December, 1888, only	7/6	Works	Wagon hire, 1/8 per ton, and Railway rate in addition, except as below, to which place Wagon hire is to be added.
COMMON SALT in Boats for Chemical purposes, 12 months' Contract from 31st December, 1888, only	7/6	Works	
BAY SALT, Stoved	20/-	Works	
Do. Unstoved	45/-	Works	
XX ROUGH SALT	20/-	Works	Wagon hire, 1/- per ton, and Railway rates when sent by rail in addition.
X do. do.	18/6	Works	
BEST SCOTCH FISHERY SALT	12/-	Works	
SECOND CLASS do. do.	11/-	Works	
FACTORY-FILLED STOVED SALT for Export	15/-	Works	
FACTORY-FILLED STOVED SALT, Inland	21/-	Works	1/8 per ton Bagging in addition
BROKEN STOVED for Chemical Works, on Contract	15/-	Works	
CALCUTTA SALT, say half Shutes, half Butter	13/-	Liverpool	
Shutes for African Market, half Indian squares, half Butter Salt	14/6	Liverpool	
FINE BUTTER SALT for Coastwise and Inland	9/-	Works	
MARINE SALT for Coastwise Shipment only	9/-	Works	
PATENT BUTTER SALT for Foreign or Coastwise Shipments... ..	9/6	Works	
TREBLE REFINED TABLE SALT	32/-	Works	1/- per ton for filling, packing and loading at works in addition.
EXTRA DAIRY or FINE SIFTED SALT	20/-	Works	
GRAINY SALT from Fine Dairy	15/-	Works	
COMMON SALT	10/6	Liverpool	
For shipment and for Chemical purposes	9/6	Runcorn or Weston	
Note.—Where place of delivery is stated as at "Works," it is understood that River Freight 3/8 per ton to Liverpool, or 2/8 per ton to Weston or Runcorn, is to be added when the Salt is shipped at those ports, less 5% per cent. to distributors.			
BAGGING SALT, at Works—including Grinding.			
2 cwt. Sacks	1/6		In case of different sizes 10 per cent. to be added to cost of bagging.
1 cwt. Sacks	2/-		
1/2 cwt. Sacks	2/6		
BAGGING UNSTOVED SALTS—			
1 cwt. Sacks and upwards	8d		
1/2 cwt. Sacks and upwards	1/-		
ROCK SALT—			
Selected Lump Rock Salt for Cattle, Inland Orders	25/-	Works	
Do. do. Shipment, 21	26/6	Liverpool	
cwt. to the ton.	27/6	Runcorn or Weston	
Crushed Rock Salt for Ship's Timbers (by Rail)	12/-	Works	
Do. do. do.	15/6	Liverpool	
Prussian Rock do. do.	14/6	Runcorn or Weston	
Do. do. do.	9/6	Works	
Do. do. do.	13/-	Liverpool	
Do. do. do.	12/-	Liverpool	
PRUSSIAN ROCK SALT for Chemical Works	4/-	Works	
Do. for Coastwise Shipment	6/6	Runcorn or Weston	
Do. for Foreign Shipment	7/3	Liverpool	
Do. for Foreign Shipment	5/3	Liverpool	
Do. for Foreign Shipment	4/9	Runcorn or Weston	
Do. for Foreign Shipment	6/9	Liverpool	
CRUSHED ROCK for any Port	7/6	Works	
FINE SCREENED ROCK	5/6	Works	
DUST ROCK SALT for Hargreaves Process	6/6	Works	
SCREENED ROCK SALT for Export... ..	7/3	Runcorn or Weston	
Do. do. do.	8/6	Liverpool	
SOILED SALT for Chemical purposes	7/- less than Common Salt		
SCREENED ROCK SALT for Contracts for Chemical Works	6/6	Works	
SURFACE SALT	2/-	Works	
CRUSHED ROCK SALT for extracting purposes	5/-	Works	

THE SALT UNION.

PRICES OF SALT FOR MARCH, 1889.

Description of Salt.	Price per ton less 1 1/2 % to Distributors.	Place of Delivery.	
MIDDLE GRAIN SALT	40/-	Works	
BRISK SALT	40/-	Works	Bagging, &c., in addition.
HANDED SQUARES— Inland Trade, 50 lamps to the ton	31/-	Works	Van hire, 1/6 per ton, and Railway rates in addition.
Smaller sizes	32/-	Works	
Cones for Inland	31/-	Works	
BROKEN LUMPS	30/-	Works	
COMMON or CLEAN BROAD for Curing, Agricultural, and purposes other than Chemical Contracts	10/6	Works	Wagon hire, 1/- per ton, and railway rate to Station of destination in addition.
Soiled Agricultural	9/6	Works	
COMMON SALT for Chemical purposes, Contract only to 31st December, 1889	7/6	Works	Wagon hire, 1/- per ton, and railway rate in addition, except in Wales, in which place Wagon hire is to be 1/- per ton.
COMMON SALT in Boats for Chemical purposes, on Contract only to 31st December, 1889	7/6	Works	
BAY SALT, Stowed	50/-	Works	
XX ROUGH SALT	30/-	Works	
X do.	18/6	Works	Wagon hire, 1/- per ton, and Railway rates when sent by rail in addition.
BEST SCOTCH FISHERY SALT	12/-	Works	
SECOND CLASS do. do.	11/-	Works	
FACTORY-FILLED STOVED SALT in sacks or bags for Foreign Export	15/-	Works	Bagging extra, as below.
FACTORY-FILLED STOVED SALT, Inland	31/-	Works	Bagging extra, as below.
BROKEN STOVED for Chemical Works, on Contract	15/-	Works	
CALCUTTA SALT, and for other Eastern markets, say half Shutes, half Butter	16/-	Liverpool	
Shutes for African Market, half Indian squares, half Butter Salt, in bulk only	17/6	Liverpool	1/- per ton on total order for breaking.
FINE BUTTER SALT	11/- 14/6 13/6	Works Liverpool Runcorn or Weston	
MARINE SALT	11/-	Works	
PATENT BUTTER SALT	11/-	Works	
TREBLE REFINED TABLE SALT	40/-	Works	4/- per ton for filling, packing and loading seawater in addition.
EXTRA DAIRY or FINE SIFTED SALT, in sacks or bags for Foreign Export	31/-	Works	
Ditto Inland	31/-	Works	
GRAINY SALT from Fine Dairy	18/-	Works	
COMMON SALT	10/6	Liverpool	
For Shipment	9/6	Runcorn or Weston	
For Australasia	9/-	Works	
Inland	12/6	Liverpool	
Note.—Where place of delivery is stated as at "Works," it is understood that River Freight 3/6 per ton to Liverpool, or 2/6 per ton to Weston or Runcorn, is to be added when the salt is shipped at those ports, less 2 1/2 per cent. to distributors.			
BAGGING SALT, at Works—including Grinding	1/6		In case of different sizes to per cent. to be added to cost of bagging.
2 cwt. Sacks	3/-		
1 cwt. Sacks	2/6		
BAGGING UNSTOVED SALTS— 1 cwt. Sacks and upwards	8d.		
1/2 cwt. Sacks and upwards	1/-		
ROCK SALT— Selected Lamp Rock Salt for Cattle, Inland Orders	15/- 18/6 27/6 12/- 15/6 14/6 8/6 9/6 13/- 12/-	Works Liverpool Runcorn or Weston Works Liverpool Runcorn or Weston Works Liverpool Liverpool	
Do. do. Shipment, 21 cwt. to the ton			
Prussian Rock for Inland			
Crushed Rock Salt for Ship's Timbers (by Rail)			
Do. do. do.			
Prussian Rock do. do.			
PRUSSIAN ROCK SALT for Chemical Works, Contract only to 31st December	4/-	Works	
Do. do. for Coastwise Shipment	6/6	Runcorn or Weston	
Do. do. for Foreign Shipment	7/3 5/3 4/9 6/9 7/6 9/6	Liverpool Liverpool Runcorn or Weston Runcorn or Weston Liverpool Works	
CRUSHED ROCK for Coastwise or Foreign Shipment			
FINE SCREENED ROCK			
DUST ROCK SALT for Hargreaves Process			
FINE CRUSHED OR SCREENED ROCK SALT for Export	7/9 8/6	Runcorn or Weston Liverpool	
SCREENED ROCK SALT for Contracts for Chemical Works	6/6	Works	
CRUSHED ROCK SALT for extracting purposes	5/-	Works	
SOILED SALT for Chemical purposes	2/- less than Common Salt		
SURFACE SALT	9/-	Works	

PRICES OF SALT FOR THE CHESHIRE DISTRICT FROM 1ST NOV., 1889, TO 31ST DEC., 1889.

DESCRIPTION OF SALT		PRICES OF DELIVERY			
Per ton	Per 100 lbs	Per ton	Per 100 lbs		
Per ton	Per 100 lbs	Per ton	Per 100 lbs		
1	BAY SALT	55 1/2	10 1/2	55 1/2	10 1/2
2	XX ROUGH	55 1/2	10 1/2	55 1/2	10 1/2
3	XX ROUNDER	55 1/2	10 1/2	55 1/2	10 1/2
4	SECOND CLASS	55 1/2	10 1/2	55 1/2	10 1/2
5	COMMON	55 1/2	10 1/2	55 1/2	10 1/2
6	MARINE SALT	55 1/2	10 1/2	55 1/2	10 1/2
7	EXTRA DRY BUTTER SALT	55 1/2	10 1/2	55 1/2	10 1/2
8	FINE AND PATENT BUTTER SALT	55 1/2	10 1/2	55 1/2	10 1/2
9	EAST INDIAN SALT	55 1/2	10 1/2	55 1/2	10 1/2
10	AFRICAN SQUARES	55 1/2	10 1/2	55 1/2	10 1/2
11	COMMON LUMPS	55 1/2	10 1/2	55 1/2	10 1/2
12	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
13	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
14	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
15	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
16	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
17	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
18	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
19	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
20	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
21	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
22	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
23	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
24	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
25	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
26	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
27	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
28	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
29	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
30	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
31	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
32	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
33	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
34	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
35	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
36	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
37	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
38	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
39	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
40	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
41	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
42	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
43	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
44	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
45	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
46	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
47	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
48	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
49	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
50	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
51	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
52	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2

DESCRIPTION OF SALT		PRICES OF DELIVERY			
Per ton	Per 100 lbs	Per ton	Per 100 lbs		
Per ton	Per 100 lbs	Per ton	Per 100 lbs		
1	BAY SALT	55 1/2	10 1/2	55 1/2	10 1/2
2	XX ROUGH	55 1/2	10 1/2	55 1/2	10 1/2
3	XX ROUNDER	55 1/2	10 1/2	55 1/2	10 1/2
4	SECOND CLASS	55 1/2	10 1/2	55 1/2	10 1/2
5	COMMON	55 1/2	10 1/2	55 1/2	10 1/2
6	MARINE SALT	55 1/2	10 1/2	55 1/2	10 1/2
7	EXTRA DRY BUTTER SALT	55 1/2	10 1/2	55 1/2	10 1/2
8	FINE AND PATENT BUTTER SALT	55 1/2	10 1/2	55 1/2	10 1/2
9	EAST INDIAN SALT	55 1/2	10 1/2	55 1/2	10 1/2
10	AFRICAN SQUARES	55 1/2	10 1/2	55 1/2	10 1/2
11	COMMON LUMPS	55 1/2	10 1/2	55 1/2	10 1/2
12	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
13	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
14	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
15	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
16	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
17	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
18	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
19	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
20	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
21	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
22	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
23	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
24	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
25	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
26	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
27	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
28	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
29	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
30	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
31	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
32	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
33	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
34	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
35	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
36	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
37	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
38	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
39	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
40	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
41	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
42	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
43	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
44	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
45	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
46	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
47	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
48	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
49	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
50	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
51	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
52	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2

DESCRIPTION OF SALT		PRICES OF DELIVERY			
Per ton	Per 100 lbs	Per ton	Per 100 lbs		
Per ton	Per 100 lbs	Per ton	Per 100 lbs		
1	BAY SALT	55 1/2	10 1/2	55 1/2	10 1/2
2	XX ROUGH	55 1/2	10 1/2	55 1/2	10 1/2
3	XX ROUNDER	55 1/2	10 1/2	55 1/2	10 1/2
4	SECOND CLASS	55 1/2	10 1/2	55 1/2	10 1/2
5	COMMON	55 1/2	10 1/2	55 1/2	10 1/2
6	MARINE SALT	55 1/2	10 1/2	55 1/2	10 1/2
7	EXTRA DRY BUTTER SALT	55 1/2	10 1/2	55 1/2	10 1/2
8	FINE AND PATENT BUTTER SALT	55 1/2	10 1/2	55 1/2	10 1/2
9	EAST INDIAN SALT	55 1/2	10 1/2	55 1/2	10 1/2
10	AFRICAN SQUARES	55 1/2	10 1/2	55 1/2	10 1/2
11	COMMON LUMPS	55 1/2	10 1/2	55 1/2	10 1/2
12	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
13	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
14	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
15	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
16	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
17	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
18	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
19	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
20	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
21	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
22	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
23	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
24	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
25	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
26	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
27	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
28	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
29	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
30	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
31	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
32	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
33	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
34	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
35	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
36	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
37	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
38	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
39	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
40	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
41	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
42	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
43	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
44	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
45	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
46	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
47	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
48	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
49	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
50	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
51	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
52	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2

DESCRIPTION OF SALT		PRICES OF DELIVERY			
Per ton	Per 100 lbs	Per ton	Per 100 lbs		
Per ton	Per 100 lbs	Per ton	Per 100 lbs		
1	BAY SALT	55 1/2	10 1/2	55 1/2	10 1/2
2	XX ROUGH	55 1/2	10 1/2	55 1/2	10 1/2
3	XX ROUNDER	55 1/2	10 1/2	55 1/2	10 1/2
4	SECOND CLASS	55 1/2	10 1/2	55 1/2	10 1/2
5	COMMON	55 1/2	10 1/2	55 1/2	10 1/2
6	MARINE SALT	55 1/2	10 1/2	55 1/2	10 1/2
7	EXTRA DRY BUTTER SALT	55 1/2	10 1/2	55 1/2	10 1/2
8	FINE AND PATENT BUTTER SALT	55 1/2	10 1/2	55 1/2	10 1/2
9	EAST INDIAN SALT	55 1/2	10 1/2	55 1/2	10 1/2
10	AFRICAN SQUARES	55 1/2	10 1/2	55 1/2	10 1/2
11	COMMON LUMPS	55 1/2	10 1/2	55 1/2	10 1/2
12	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
13	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
14	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
15	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
16	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
17	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
18	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
19	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
20	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
21	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
22	FACTORY FILLED STOVED SALT	55 1/2	10 1/2	55 1/2	10 1/2
23	FACTORY FILLED STOVED SALT	55			

THE SALT UNION.

PRICES OF SALT FOR THE CHESHIRE AND WORCESTERSHIRE
DISTRICTS FOR MARCH, 1891.

DESCRIPTION OF SALT			Price per ton, 100 lbs net in 1944 (1943)	Price per ton, 100 lbs net in 1943 (1942)
1944 (1943)	1943 (1942)			
DESCRIPTION OF SALT				
SODAS				
(a) For Consumption in Liverpool or Shetland				
(b) For Island use				
(c) For Consumption in United Kingdom ports on the				
East Coast from West of Newcastle & London inclusive				
(d) For Consumption in all other United Kingdom ports				
(e) For Consumption in London and Isle of Man				
(f) For Consumption in South Atlantic and Irish Sea				
(g) Orders to be subject with the date for each year				
(h) For Consumption in North Atlantic and Irish Sea				
(i) For Consumption in other United Kingdom ports				
(j) For Consumption in other United Kingdom ports				
(k) For Consumption in other United Kingdom ports				
(l) For Consumption in other United Kingdom ports				
(m) For Consumption in other United Kingdom ports				
(n) For Consumption in other United Kingdom ports				
(o) For Consumption in other United Kingdom ports				
(p) For Consumption in other United Kingdom ports				
(q) For Consumption in other United Kingdom ports				
(r) For Consumption in other United Kingdom ports				
(s) For Consumption in other United Kingdom ports				
(t) For Consumption in other United Kingdom ports				
(u) For Consumption in other United Kingdom ports				
(v) For Consumption in other United Kingdom ports				
(w) For Consumption in other United Kingdom ports				
(x) For Consumption in other United Kingdom ports				
(y) For Consumption in other United Kingdom ports				
(z) For Consumption in other United Kingdom ports				
SECOND CLASS				
SODAS				
(a) For Consumption in Liverpool or Shetland				
(b) For Island use				
(c) For Consumption in United Kingdom ports on the				
East Coast from West of Newcastle & London inclusive				
(d) For Consumption in all other United Kingdom ports				
(e) For Consumption in London and Isle of Man				
(f) For Consumption in South Atlantic and Irish Sea				
(g) Orders to be subject with the date for each year				
(h) For Consumption in North Atlantic and Irish Sea				
(i) For Consumption in other United Kingdom ports				
(j) For Consumption in other United Kingdom ports				
(k) For Consumption in other United Kingdom ports				
(l) For Consumption in other United Kingdom ports				
(m) For Consumption in other United Kingdom ports				
(n) For Consumption in other United Kingdom ports				
(o) For Consumption in other United Kingdom ports				
(p) For Consumption in other United Kingdom ports				
(q) For Consumption in other United Kingdom ports				
(r) For Consumption in other United Kingdom ports				
(s) For Consumption in other United Kingdom ports				
(t) For Consumption in other United Kingdom ports				
(u) For Consumption in other United Kingdom ports				
(v) For Consumption in other United Kingdom ports				
(w) For Consumption in other United Kingdom ports				
(x) For Consumption in other United Kingdom ports				
(y) For Consumption in other United Kingdom ports				
(z) For Consumption in other United Kingdom ports				
THIRD CLASS				
SODAS				
(a) For Consumption in Liverpool or Shetland				
(b) For Island use				
(c) For Consumption in United Kingdom ports on the				
East Coast from West of Newcastle & London inclusive				
(d) For Consumption in all other United Kingdom ports				
(e) For Consumption in London and Isle of Man				
(f) For Consumption in South Atlantic and Irish Sea				
(g) Orders to be subject with the date for each year				
(h) For Consumption in North Atlantic and Irish Sea				
(i) For Consumption in other United Kingdom ports				
(j) For Consumption in other United Kingdom ports				
(k) For Consumption in other United Kingdom ports				
(l) For Consumption in other United Kingdom ports				
(m) For Consumption in other United Kingdom ports				
(n) For Consumption in other United Kingdom ports				
(o) For Consumption in other United Kingdom ports				
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(s) For Consumption in other United Kingdom ports				
(t) For Consumption in other United Kingdom ports				
(u) For Consumption in other United Kingdom ports				
(v) For Consumption in other United Kingdom ports				
(w) For Consumption in other United Kingdom ports				
(x) For Consumption in other United Kingdom ports				
(y) For Consumption in other United Kingdom ports				
(z) For Consumption in other United Kingdom ports				
FOURTH CLASS				
SODAS				
(a) For Consumption in Liverpool or Shetland				
(b) For Island use				
(c) For Consumption in United Kingdom ports on the				
East Coast from West of Newcastle & London inclusive				
(d) For Consumption in all other United Kingdom ports				
(e) For Consumption in London and Isle of Man				
(f) For Consumption in South Atlantic and Irish Sea				
(g) Orders to be subject with the date for each year				
(h) For Consumption in North Atlantic and Irish Sea				
(i) For Consumption in other United Kingdom ports				
(j) For Consumption in other United Kingdom ports				
(k) For Consumption in other United Kingdom ports				
(l) For Consumption in other United Kingdom ports				
(m) For Consumption in other United Kingdom ports				
(n) For Consumption in other United Kingdom ports				
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(t) For Consumption in other United Kingdom ports				
(u) For Consumption in other United Kingdom ports				
(v) For Consumption in other United Kingdom ports				
(w) For Consumption in other United Kingdom ports				
(x) For Consumption in other United Kingdom ports				
(y) For Consumption in other United Kingdom ports				
(z) For Consumption in other United Kingdom ports				
FINE SODAS				
(a) For Consumption in Liverpool or Shetland				
(b) For Island use				
(c) For Consumption in United Kingdom ports on the				
East Coast from West of Newcastle & London inclusive				
(d) For Consumption in all other United Kingdom ports				
(e) For Consumption in London and Isle of Man				
(f) For Consumption in South Atlantic and Irish Sea				
(g) Orders to be subject with the date for each year				
(h) For Consumption in North Atlantic and Irish Sea				
(i) For Consumption in other United Kingdom ports				
(j) For Consumption in other United Kingdom ports				
(k) For Consumption in other United Kingdom ports				
(l) For Consumption in other United Kingdom ports				
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(t) For Consumption in other United Kingdom ports				
(u) For Consumption in other United Kingdom ports				
(v) For Consumption in other United Kingdom ports				
(w) For Consumption in other United Kingdom ports				
(x) For Consumption in other United Kingdom ports				
(y) For Consumption in other United Kingdom ports				
(z) For Consumption in other United Kingdom ports				
EXTRA GRADE FINE SODAS				
(a) For Consumption in Liverpool or Shetland				
(b) For Island use				
(c) For Consumption in United Kingdom ports on the				
East Coast from West of Newcastle & London inclusive				
(d) For Consumption in all other United Kingdom ports				
(e) For Consumption in London and Isle of Man				
(f) For Consumption in South Atlantic and Irish Sea				
(g) Orders to be subject with the date for each year				
(h) For Consumption in North Atlantic and Irish Sea				
(i) For Consumption in other United Kingdom ports				
(j) For Consumption in other United Kingdom ports				
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(v) For Consumption in other United Kingdom ports				
(w) For Consumption in other United Kingdom ports				
(x) For Consumption in other United Kingdom ports				
(y) For Consumption in other United Kingdom ports				
(z) For Consumption in other United Kingdom ports				
EXTRA GRADE FINE SODAS				
(a) For Consumption in Liverpool or Shetland				
(b) For Island use				
(c) For Consumption in United Kingdom ports on the				
East Coast from West of Newcastle & London inclusive				
(d) For Consumption in all other United Kingdom ports				
(e) For Consumption in London and Isle of Man				
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(g) Orders to be subject with the date for each year				
(h) For Consumption in North Atlantic and Irish Sea				
(i) For Consumption in other United Kingdom ports				
(j) For Consumption in other United Kingdom ports				
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(w) For Consumption in other United Kingdom ports				
(x) For Consumption in other United Kingdom ports				
(y) For Consumption in other United Kingdom ports				
(z) For Consumption in other United Kingdom ports				
EXTRA GRADE FINE SODAS				
(a) For Consumption in Liverpool or Shetland				
(b) For Island use				
(c) For Consumption in United Kingdom ports on the				
East Coast from West of Newcastle & London inclusive				
(d) For Consumption in all other United Kingdom ports				
(e) For Consumption in London and Isle of Man				
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(g) Orders to be subject with the date for each year				
(h) For Consumption in North Atlantic and Irish Sea				
(i) For Consumption in other United Kingdom ports				
(j) For Consumption in other United Kingdom ports				
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(w) For Consumption in other United Kingdom ports				
(x) For Consumption in other United Kingdom ports				
(y) For Consumption in other United Kingdom ports				
(z) For Consumption in other United Kingdom ports				
EXTRA GRADE FINE SODAS				
(a) For Consumption in Liverpool or Shetland				
(b) For Island use				
(c) For Consumption in United Kingdom ports on the				
East Coast from West of Newcastle & London inclusive				
(d) For Consumption in all other United Kingdom ports				
(e) For Consumption in London and Isle of Man				
(f) For Consumption in South Atlantic and Irish Sea				
(g) Orders to be subject with the date for each year				
(h) For Consumption in North Atlantic and Irish Sea				
(i) For Consumption in other United Kingdom ports				
(j) For Consumption in other United Kingdom ports				
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(w) For Consumption in other United Kingdom ports				
(x) For Consumption in other United Kingdom ports				
(y) For Consumption in other United Kingdom ports				
(z) For Consumption in other United Kingdom ports				
EXTRA GRADE FINE SODAS				
(a) For Consumption in Liverpool or Shetland				
(b) For Island use				
(c) For Consumption in United Kingdom ports on the				
East Coast from West of Newcastle & London inclusive				
(d) For Consumption in all other United Kingdom ports				
(e) For Consumption in London and Isle of Man				
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(g) Orders to be subject with the date for each year				
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(w) For Consumption in other United Kingdom ports				
(x) For Consumption in other United Kingdom ports				
(y) For Consumption in other United Kingdom ports				
(z) For Consumption in other United Kingdom ports				
EXTRA GRADE FINE SODAS				
(a) For Consumption in Liverpool or Shetland				
(b) For Island use				
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EXTRA CHARGES.

[illegible]

In 1898 the North-Eastern Company was formed, under the auspices of the Salt Union, for the purpose of regulating the salt trade of the northern districts, principally of Middlesbrough. In this concern the Salt Union held 599 shares, Tees Salt Company 399, Cleveland Salt Company 299, Middlesbrough Estate, Limited, 197, and Cerebos, Limited, 200 shares. Mr. G. H. Cox, the Chairman of the Salt Union, was a director of the North-Eastern Company.

In 1899 we find the British Salt Association regulating the prices of the salt and issuing lists to the trade.

In 1906 the North-Western Salt Company, Limited, was formed, apparently for the purpose of regulating certain salt business with the United Alkali Company. In this North-Western Company the Salt Union held 3,586 shares, and the United Alkali 171 shares.

In 1907 London Merchants, Limited, was formed for the purpose of buying and selling salt, and to carry on the business of salt merchants. Among the Directors were Mr. G. H. Cox (Director of Salt Union), Henry Seddon, F. G. Hamlett, &c. The shareholders were as follows:—

<i>Shareholders.</i>	<i>A.</i>	<i>B.</i>
Weston & Westall, Ltd.	423	530
London Salt Company, Limited ..	160	240
Manger & Sons, Limited.. ..	120	70
Messrs. Arthur, Edwin & F. G. Hamlett	60	50
Bumsted & Co., Limited.. ..	230	110

In 1908 Messrs. Weston & Westall, Ltd., became a private company, with a capital of £20,000, consisting of 2,000 shares of £10 each, the Salt Union holding 1,425 shares out of a total of 1,500 issued. The directors in 1910 were: Messrs. Alexander, Beazley, Cox, Falk, and Sir Thomas Royden, all Salt Union directors. There were eighteen shareholders, all of whom were connected with the Salt Union.

In 1911 the British Salt Association, Ltd., was formed by seven members of the old North-Western Salt Company, Ltd., but ten manufacturers elected to remain outside the combination, which was broken up in the following year.

THE COMING OF THE SALT TRUST.

Reprinted from "The Times."

The *Chester Chronicle* of to-day says that the efforts to form the great Salt Trust have succeeded beyond the most sanguine expectations. Representatives of five of the largest firms in the Cheshire salt trade will be chosen as directors. The promoters purpose identifying the new undertaking with the district, and the central offices will be at Northwich. The shares are being largely taken up in Cheshire. In this way those who have suffered severely through the subsidence of their lands have a prospect of deriving some benefit from a trade which hitherto has caused them little but loss and annoyance. Replying to a criticism in the *Chronicle*,—that the new Trust will disastrously affect the chemical manufacturers, who use salt very largely,—one of the influential promoters of the Trust replies that they are not likely to injure such good customers, and thereby lessen the demand for salt. Will they not, asks the writer, rather benefit the chemical trade by warding off competition with them? And he adds: "It seems to me that the effect of the new combination will be to benefit the salt industry by enabling the salt producers to obtain a fair return on their capital and to injure nobody; for if the chemical traders are supplied at low rates for manufacturing purposes, the general consumers will be the persons to pay more, and the increase to them will be so infinitesimal that they will not know they pay more unless you tell them." The *Chronicle* adds: "On undoubted authority" that the purchase prices of the various salt works have been adjusted, and that the capital of the Trust will be between two and three millions. Possession of the Cheshire Saltfields will be entered upon early in November.

To-day's *Northwich Chronicle* states that all the Cheshire salt works have been provisionally acquired by a London syndicate, represented by Messrs. Fowler & Co., Solicitors, Westminster, and negotiations are proceeding favourably to purchase all the less extensive works situate in Worcestershire and Durham. The vendors take one-third in shares. The capital required, provisionally fixed at £3,000,000, has been subscribed in advance times over. In the allotment preference will be given to those connected with the salt trade, and to those who have suffered losses through the subsidence

of land owing to brine pumping. In consequence of the monopoly thus created, it is expected that the price of common salt, now 2/6 a ton, will rise to 10/- Nearly two million tons are sold annually.

September 15th, 1888.

THE GREAT SALT SYNDICATE. The first meeting of the Directors of the Salt Syndicate was held yesterday; the proceedings were private. It is understood that every Cheshire salt proprietor has given in his adhesion to the scheme, and has sold on the terms proposed, namely, two-thirds of the purchase money in cash and one-third in shares. The principle on which the valuation was made has not come out, but it is generally known that the selling price has been quite satisfactory to the vendors. Agreements have been entered into, and the syndicate will take possession of the works in November. In addition to the six salt proprietors who have been placed upon the directorate, several members of different firms have been appointed managers of works.

September 27th, 1888.

The Share List will close on or before Friday, October 12th.

Messrs. MORTON, ROSE & Co. are authorized to invite Applications for the Shares and Debentures of

THE SALT UNION

LIMITED.

Incorporated under the Companies Acts, 1862 to 1883.

CAPITAL £3,000,000, IN SHARES OF £10 EACH.

DIVIDED INTO

200,000 Ordinary Shares of £10 each,

100,000 Seven per cent. Preference Shares of £10 each.

(DIVIDEND PAYABLE OUT OF THE PROFITS OF EACH YEAR.)

Payable per Share: £1 on Application; £3 on Allotment; £2 on 1st November, 1888; £2 on 1st December, 1888; and £2 on 1st January, 1889.

After the last payment the Shares may be converted into Stock, transferable in any amounts of not less than £10.

About £900,000 of the Ordinary Share Capital is Subscribed by the Vendors of Salt Properties and Lands.

Subscriptions are also invited for £1,000,000 in 4½ per Cent. First Mortgage Debenture Stock in amounts of £100 each, and payable 10 per Cent. on application; 15 per Cent. on allotment; 25 per Cent. on 1st November; 25 per Cent. on 1st December; 25 per Cent. on 1st January next.

Such Stock to be transferable in amounts of not less than £10. This Stock will be secured upon the entire property of the Company, and the Interest will be payable half-yearly on the 1st January and 1st July.

Board of Directors.

Chairman—THE RIGHT HON. LORD THURLOW, F.C., 33, Chesham Place, London, S.W.

Deputy Chairman—JOHN CORBETT, Esq., M.F., Impney, Droitwich, (Stoke Prior Salt Works, Worcestershire).
*JOSEPH VERDIN, Esq., The Brookhurst, Northwich, (Messrs. JOSEPH VERDIN & SONS, Salt Proprietors, Winsford), *Managing Director* Cheshire District.

HON. A. LIONEL ASHLEY, Audley Mansions, S.W., (Director *Hand in Hand Fire and Life Insurance Society*).

*GEORGE HENRY DEAKIN, Esq., Davenham House, Northwich, (Director Messrs. GEORGE DEAKIN, LIMITED, Salt Proprietors, Winsford).

HERMAN JOHN FALK, Esq., 65, South John Street, Liverpool.

PASCOE ST. LEGGER GRENFELL, Esq. (Messrs. MORTON, ROSE & Co., Bartholomew Lane, E.C.)

E. S. BARING-GOULD, Esq., Boxgrove Lodge, Guildford, Surrey.

*RICHARD GRIGG, Esq. (Managing Director South Durham Salt Company, Limited), *Managing Director* Middlesbrough District.

*CHRISTOPHER KAY, Esq., Davenham Hall, Northwich, (Chairman Cheshire Amalgamated Salt Works Company, Limited).

TAE HON. CHARLES WILLIAM MILLS, M.P. (Messrs. GLYN, MILLS, CURRIE & Co., 67, Lombard St, E.C.)

WALTER ROBINSON, Esq., 20, Gledhow Gardens, London, S.W., (Director Great Western Railway Co.)

*JAMES STUBBS, Esq., (Messrs. STRAUS BROTHERS, National Salt Works, Winsford, Cheshire).

*WILLIAM HENRY VERDIN, Esq., Highfield House, Winsford, (Messrs. JOSEPH VERDIN & SONS, Salt Proprietors, Winsford).

*Will join the Board after allotment.

Local Committees of Management.

Several of the Vendors may from time to time be formed into Local Committees of Management under the direction of the Board.

Bankers.

Messrs. GLYN, MILLS, CURRIE & Co., 67, Lombard Street, London, E.C.

FARR'S BANKING COMPANY, Ltd., Warrington, Liverpool, Northwich, Winsford, Sandbach, and other Branches.

UNION BANK OF MANCHESTER, Ltd., Manchester, Northwich, Winsford, Middlewich, and other Branches.

Solicitors.

Messrs. ASHURST, MORRIS, CRISP & Co., 6, Old Jewry, London, E.C.

Stock Brokers.

London—Messrs. BILLET, CAMPBELL & CO., 6, Cophall Buildings, E.C.; and Stock Exchange.

Liverpool—Messrs. A. M. McCULLOCH & CO., 18, Dale Street.

Messrs. WM. CHAMBRES & CO., 6, Dale Street.

Manchester—Messrs. HODSON & COPPOCK, Commercial Buildings.

Glasgow—Messrs. OUTRAM & HAMILTON, 48, West George Street.

Auditors.

Messrs. COOPER BROTHERS & CO., Chartered Accountants, 14, George Street, London, E.C.

Messrs. HARMOOD, BANNER & SONS, Chartered Accountants, Liverpool.

Manager, Cheshire District.

THOMAS WARD, Esq., J.P., Northwich, Cheshire.

Principal Trade Offices.

WINSFORD, NORTHWICH, DROITWICH, MIDDLESBOROUGH, AND CARRICKFERGUS.

Secretary.

EDMUND C. WICKES, Esq.

Registered Office.

SALTERS' HALL COURT, LONDON, E.C.

1. THE OBJECT OF THE COMPANY is to consolidate the undertakings of the Salt Proprietors in the United Kingdom, with a view to ending reckless competition which injuriously affects the Salt industry, without conferring any adequate advantage on the public.

2. THE PROPERTIES TO BE ACQUIRED OR CONTROLLED BY THE COMPANY

are of great extent and magnitude. Some of the Salt firms have been established upwards of a century; their Salt brands are known throughout the civilized world, and the benefit of their personal business connections will for the most part be preserved. The Properties include Freehold and Leasehold salt, brine and other lands, brine shafts, works, buildings, salt pans, railway sidings, tramways and lines into works; steamers, boats, barge, gas works, locomotives, railway trucks and vans, quays, landing stages, timber yards, fitting shops, warehouses, horses, ponies, vehicles, cottages for workmen, brick-yards, railway and river communications, and factories for making most of the articles required in the trade, rendering the aggregate property one of the largest and most complete in the kingdom.

3. The following are the FIRMS, COMPANIES and PERSONS between whom and Mr. ROBERT FOWLER, of Victoria Mansions, Westminster, Contracts and Terms for Sale and purchase, or Leasing, or Renting, have been made.

NAMES OF PARTIES.

Date of Contract,
1888.

Messrs. Joseph Verdin & William Henry Verdin—Messrs. JOSEPH VERDIN & SONS, Adelaide, Victoria, Knight's Grange, Newbridge, Baron's Quay, Wharton Meadow, Dunsinkhead and Winsford Salt Works, and Adelaide and Baron's Quay Rock Salt Mines	18th July	4th Sept.
Mr. JOHN CORBETT, M.P., Scale Pits Salt Works, Worcester	...	5th Oct.
Mr. Christopher Kay, on behalf of THE CHEMIRE AMALGAMATED SALT WORKS COMPANY, LIMITED, Northwich, White Hall, Malkin Bank, Wheelock and Wharton Salt Works	11th July	6th Sept.
Shareholders in Messrs. GEORGE DEARIN, LIMITED, Boscock, Wharton and Over Salt Works, Winsford	...	7th Sept.
Mr. JOSEPH EVANS, Winsford Salt Works	...	4th Oct.
Mr. HERMAN EUGENE FALK, Meadow Bank Salt Works and Rock Salt Mines, Winsford	16th Aug.	7th Sept.
Mr. WILLIAM WORTHINGTON, Senr., Lefwich and Winton Salt Works, Rock Salt Mine and Salt Lands	12th July	11th Sept.
Messrs. Robert Stubbs, John Stubbs, William Stubbs, Charles Stubbs, Samuel Stubbs, James Stubbs, and Robert Stubbs—Messrs. STUBBS BROTHERS, National and Little Meadow Salt Works, Winsford	21st Aug.	7th Sept.
Mr. Thomas Huggin, on behalf of THE EUREKA SALT MANUFACTURING COMPANY, LIMITED, Anderson and Worboise Salt Works, and Thomas Huggin & Co.	18th July	8th Oct.
Mr. John Rugh, on behalf of THE WHEELLOCK IRON AND SALT COMPANY, Limited, (salt portion only), Messrs. William Steetstrand and George Kirkham, trading as THE BRITISH SALT COMPANY, British Salt Works, Anderson	...	7th Sept.
Messrs. THOS. RAYNER & CO., LIMITED, Salt Works, Wincham	11th July	6th Sept.
THE MARSTON SALT SALT COMPANY, LIMITED, (late WILLIAM HARRIS & SONS) Marston Hall White Salt Works and Rock Salt Mines	14th July	6th Oct.
Mr. JOHN THOMPSON, Willow Bank Over, and Winton Hall Salt Works and Rock Salt Mine, Northwich	14th July	6th Sept.
Messrs. John Simpson, Gabriel Locker Davies, and Robert Newton Davies, trading as Messrs. SIMPSON, DAVIES & SONS, Meadow, Moulton Hall and Pigotts' Salt Works, Winsford	16th July	6th Sept.
Messrs. WILLIAM & ROBERT HICKSON, Knight's Grange Salt Works	19th July	7th Sept.
Mr. WILLIAM HICKSON, Wunington New and Bye Flat Salt Works	10th July	7th Sept.
COLONEL THOMAS HORATIO MARSHALL, The Duce Salt Works and Lands, Northwich	11th July	24th Sept.
Mr. ALFRED JAMES THOMPSON, Alliance White Salt Works, Marston	11th July	6th Sept.
Messrs. Johnson Fletcher and Thomas James Rigby, trading as FLETCHER & RIGBY, Marston Old Salt Works and Rock Salt Mines	19th July	6th Sept.
Mr. JOHNSON FLETCHER, Marston Rock Salt Mine, Northwich	17th July	6th Sept.
Mr. JOHNSON FLETCHER on behalf of himself and others, Ollershaw Lane Salt Works and Rock Salt Mine	21st July	6th Sept.
Mr. C. A. McDowell, trading as Messrs. N. ASHTON & SONS, Salt Works and Lands, Northwich	18th July	18th Sept.
Mr. HENRY INGRAM THOMPSON, Island, and Willow Bank Works, Winsford, and Winton Hall Salt Works, Northwich	19th July	6th Sept.
Messrs. THOMAS GIBSON & Co., Anderson Salt Works	15th July	4th Sept.
Mr. Richard Henry Yeomans, trading as Messrs. YEOMANS & Co., Wincham Old Salt Works	12th July	4th Sept.
Mr. JOHN BOWARTH PADGETT, Brookdale Salt Works, Northwich	11th July	4th Sept.
Messrs. John & Henry Parks, trading as Messrs. PARKS BROTHERS, Wincham Salt Works, Northwich	16th July	4th Sept.
Mr. WILLIAM PARES, Ollershaw Lane Salt Works	29th Aug.	7th Sept.
Mrs. KATHERINE LOVETT, Anderson and Winton Brick Salt Works	10th July	4th Sept.
Mr. GEORGE CAPPER, Salt Works, Winsford	11th July	4th Sept.
Mr. EDMUND LEIGH, Salt Works, Winsford	10th July	4th Sept.
Mr. RICHARD YEOMANS, The Daisy Salt Works, Littlewich	18th July	4th Sept.
Messrs. William Seddon & John Burrows, trading as Messrs. RALPH SEDDON & SONS, Kidderminster and Pepper Street Salt Works, Middlewich	...	7th Sept.
Messrs. James Platt & Herbert Platt, trading as Messrs. JAMES PLATT & SON, Albert Salt Works, Marston	11th July	4th Sept.
Mr. JOHN DEAN, Salt Works, Winsford	11th July	4th Sept.
Mr. DAVID CHARLES, Weaver Salt Works, Stafford	17th July	4th Sept.
Messrs. WILLIAM WHITAKER AND SAMUEL WHITAKER, Rock Salt Mine, Wincham	17th July	4th Sept.
THE MERSEY SALT AND BRINE COMPANY, LIMITED, Weston Point, Burslem and Marbury	20th July	20th Sept.
Messrs. EDWARD MASSEY & THOMAS BIBBEY, Lorton Salt Works	2nd Sept.	6th Sept.
Edward G. Aman, for Messrs. H. & H. WEST	17th July	18th Aug.
Executor of the late William Okeill, JOSEPH OKEILL	...	6th Oct.
Mr. H. NEUMANN FOR SELF AND BROTHERS, Salt Works, Rock Salt Mines and Land	18 & 29 Sept.	1st Oct.
Mr. ALEXANDER MISCAMPBELL, Carrickfergus, Rock Salt, Mines, Salt Works, Buildings, &c.	...	20th Sept.
Mr. DANIEL O'ROURKE Belfast	...	20th Sept.
Messrs. M. R. DALWAY & CO., LIMITED Carrickfergus, Rock Salt Mines, Salt Works, Buildings, &c.	...	20th Sept.
Messrs. Samuel McEay, Sharnock and James Campbell Holden and others trading as THE CARRICKFERGUS SALT MINING COMPANY, Ltd	...	21st Sept.
THE SOUTH DURHAM SALT COMPANY, LIMITED, Salt Works and Land, Middleborough	...	23rd Sept.
THE DROVITCH SALT COMPANY, Limited, Salt Works and Land	29th Sept.	2nd Oct.
Mr. THOMAS PATTIN, Rock Salt, Brine Lands and Buildings	12th Aug.	5th Sept.
Mr. THOMAS BARROW, Rock Salt and Brine Lands	11th Sept.	18th Sept.
Mr. THOMAS WARD, Brine and Minerals	...	23rd Sept.
Mr. R. D. NICHOLSON, Rock Salt and Brine	...	12th Sept.
Messrs. JOHN WILSON WATSON AND ROBERT SCRAFTON, Land and Minerals, Middleborough	...	6th Sept.
Mr. CECIL F. PARR FOR SELF AND J. C. PARR, TOWNSEND'S TRUSTEES, Rock Salt Mine, Brine Lands and Works	11th Aug.	29th Sept.
Mr. A. H. SMITH BARRY, M.P., Rock Salt and Brine Lands, &c.	...	1st Oct.
Mr. J. E. ARMSTRONG, Rock Salt and Brine Lands, &c.	17 & 19 Sept.	1st Oct.
Bay, GANON T. FRANCE HAYHURST, Rock Salt, Brine and other Lands, &c.	17th Sept.	20th Sept.
COLONEL C. E. FRANCE HAYHURST, Rock Salt, Brine, and other Land, &c.	17th Sept.	20th Sept.
Mr. ROGER W. WILBRAHAM, Rock Salt, Brine, and other Lands	31st Aug.	1st Oct.
CON. Macfarlane for Mr. THOMAS HENRY LYON, Rock Salt, Brine Lands, Mine, &c.	28th Aug.	29th Sept.
RICHARD HENRY DUNE, by Townshend & Barber, his Agents, Rock Salt and Brine Lands, &c.	1st Sept.	3rd Oct.
The Right Hon. JOHN BYRNE LEICESTER WARREN, BARON DE TABLEY, Lands, Works, Minerals, &c.	...	28th Sept.
Charles Leopold Samson, Joseph Handley, John William Haslam, and James Holmes, trading in partnership as THE PHENIX SALT AND LIME COMPANY	...	2nd Oct.

Other properties are under offer to the said Robert Fowler, prices are being adjusted, and the offers may become contracts at any moment. In the case of limited Companies the Agreements are subject to formal confirmation by the Shareholders.

4. **THE WORKS** have been specially inspected and reported upon, as to Cheshire, Staffordshire and Stoke Prior by Mr. THOMAS WARD, J.P., of Northwich (Manager for Messrs. N. A. SUTTON & Sons), who is a well-known authority on the Salt Trade, and has been assisted in some cases by experts as valuers; as to Droitwich by Messrs. THOMAS CAPPER & SONS, Valuers, Northwich; as to Middlesbrough by Mr. G. WILLIAMS, C.E.; and as to Ireland by Mr. GEORGE C. BLACKWELL of Liverpool.

5. **IN A REPORT** recently made by Mr. THOMAS WARD on the Cheshire Salt District, he says:—

"The highest price of Common Salt during the last ten years has been 7½ per ton at the works, the lowest 2 3; the average price about 6½ per ton. For East Indian Salt the highest price has been 18½ l.c.b., the lowest 6 3 l.c.b. In 1872 the price of Common Salt reached 20½ per ton and did not fall to 7½ per ton till 1876. The average price during the four years 1872-3-4-5, was over 11½ per ton. The shipments of Salt in 1875, when the price was 8½ per ton more than in 1867, were larger than in 1867. In 1865-66, East Indian Salt was sold at 13½ per ton l.c.b., and that price could easily be obtained and maintained, or even a higher one, without any detriment to the trade.

"A moderate rise in the price of Salt would not increase the present competition to any material extent either at home or abroad.

"The supply of Brine and Rock Salt within the radius covered by the Company is not likely to be exhausted for centuries to come.

"The Cheshire Salt District being so near to Liverpool and the Upper Mersey Ports of Runcorn and Weston Point possesses unsurpassed facilities for the Shipment of Salt at cheap freights to all parts of the world, and when the Manchester Ship Canal is complete, these facilities will be still further increased. The rail and water communication of the Cheshire district is exceptionally good, and has been made specially to suit the Salt Trade.

"It has been long evident to all conversant with the Salt Trade that the only bar to its great success has been dissension amongst its members. During the intervals that Associations have prevailed, large fortunes have been made. This Company, by uniting practically all the various works will secure that unity which has been lacking, and will by preventing reckless competition, secure prices for Salt, which, whilst most amply paying all the Shareholders, will not be felt burdensome by the purchaser. Few trades in the country are capable of being so easily united and worked, and no trade can earn such good dividends without raising prices to a prohibitory or injurious point.

"The Company will begin by earning good dividends. It takes up and carries on businesses that have become of world-wide renown, some of which have existed for a century, and others for nearly half that period."

6. **The tonnage of CHESHIRE SALT** shipped in the Mersey during the years 1878-1887 amounted to upwards of ten million tons, exclusive of the large quantity carried by Railway, and was distributed as follows:—

		WHITE SALT.	
DESTINATION.		TOTAL TONS.	TOTAL TONS.
United States (North)	1,521,238	Brought forward	7,384,289
" " (South)	711,829	Denmark and Iceland	152,067
British North America	850,923	Norway and Sweden	127,040
West Indies and Central America	41,685	Belgium and Holland	117,023
South America	99,388	France and South of Europe	23,921
Africa	205,169	England	841,223
East Indies	8,002,521	Ireland	870,184
Australia, New Zealand, &c.	152,938	Scotland	897,704
Germany	386,130	Total White Salt Shipped	9,869,156
Russia	365,206	Total Rock Salt shipped	1,025,734
Carried over	7,834,239	Total Rock and White Salt shipped	10,894,890

7. **The Produce of Rock Salt, White Salt made from Brine, and also Salt contained in Brine used for making Alkali under Solvay's Process for the year 1887, amounts to 2,206,951, tons, as shown by the following Summary from the latest Government Return of Mining and Mineral Statistics:—**

ENGLAND—	ROCK SALT.	WHITE SALT.	TOTAL.
	TONS.	TONS.	TONS.
CHESHIRE	150,557	1,610,458	1,760,719
DURHAM (including YORKSHIRE)	—	186,307	186,307
STAFFORDSHIRE	—	5,810	5,810
WYOMSHIRE	—	252,000	252,000
IRELAND	80,155	18,000	43,155
TOTALS	180,452	2,020,629	2,206,951

8. **REVENUE.** Taking the estimated production of the works acquired by the Company at 2,000,000 tons per annum, an average profit of five shillings per ton would yield annually £500,000.

Deducting Interest on Debenture Stock £45,000

Dividend on Preference Shares 70,000

115,000

Would leave £385,000
or nearly 20 per cent. per annum available for Reserve Fund and Dividend upon the Ordinary Share Capital.

9. **THE PURCHASE MONEY, OR CONSIDERATION** for the whole of the properties and the benefit of the agreements, specified in Clause 3, including all charges and expenses on the part of the purchaser of negotiating such agreements, valuing works and businesses, and issuing the capital up to allotment, except the legal charges and stamp duties for incorporating the Company, and brokerage, is the sum of £3,704,519, in respect of which a contract dated 6th October, 1888, has been made between ROBERT FOWLER of the one part, and the Company of the other part. This is the only Contract entered into by the Company. The said ROBERT FOWLER has entered into subsidiary arrangements for covering the charges and expenses of certain other persons in relation to the Company, but the Company is not a party to these subsidiary arrangements, and will incur no liability in respect thereof, and there may also be in existence on the 31st day of October, and 30th November, 1888, certain trade contracts, leases, agreements and engagements connected with the various properties and businesses to be taken over from those dates as going concerns and otherwise, which cannot be specified here, and subscribers shall be deemed to waive the publication in compliance with the 38th section of the Companies Act, 1867, of any further particulars in relation thereto.

10. **FORMS OF APPLICATION** for Shares may be obtained at the Bankers, Brokers and Offices. The Articles of Association and Contracts can be seen at the Offices of the Solicitors. Should any Applicant not receive an Allotment his deposit will be returned in full; and such applicants as may receive a less amount of Shares or Debenture Stock than they apply for, will have their surplus deposit moneys credited to the sums due on the Shares or Debenture Stock allotted to them.

LONDON, 6th October, 1889.

THE SALT TRUST IN BEING.

The applications for shares in the Salt Union, Ltd., received by Messrs. Morton, Rose & Co. have been so numerous that the allotments to be received even by residents in the salt districts, who will probably be specially favoured, cannot be large. Under these circumstances, persons entirely unconnected with the salt trade are likely to obtain nothing.

The Times, October 11th, 1888.

THE GREAT SALT COMBINATION. The acquisition by a syndicate of capitalists of the chief salt workings in Great Britain, with a view to controlling production and raising the price of salt, is the latest and, on the whole, perhaps the most objectionable phase of a tendency that has been showing itself during the last few years. The avowed object of this, as of all other similar syndicates, is to regulate production, and thereby create a relative scarcity of the commodity "syndicated" instead of permitting the existence of the glut that from time to time arises under a system of free competition among producers. The expedient is by no means a new one. It has been resorted to again and again when trade was generally depressed, or when there appeared to be a probability of securing a monopoly in a commodity of everyday use, in order to force prices up to a point which they would not be likely to reach under the ordinary conditions of supply and demand.

This combination of salt producers, like every other movement of the kind, presents itself under two separate aspects according as it is regarded as affecting the general public or the salt industry.

It may at once be conceded that the influence which the proposed artificial increase of the price of salt would be likely to exercise on the public, as consumers of salt for domestic purposes, will be almost inappreciable. . . . So far as the new combination is likely to affect the salt industry, as such, it is perhaps too early to speak as yet. One thing, however, is tolerably certain. The syndicate has not acquired the control of all the mines or works at which salt is produced, and unless and until they do this they will not have an absolute monopoly. The firms that keep clear of the combination will thus be enabled to undersell the syndicate by a sufficient margin of price to enable them to get a leading place in the market, so far as price can give that position. The large firms, bound by the rules under which the combination is administered, will have their production curtailed in certain fixed proportions, while the firms that are independent will be in a position to produce to the fullest extent of their capacity. Again, unless the syndicate obtains absolute possession of or control over every inch of ground where salt can be got, the almost certain result of the combination will be to bring into existence a number of "small fry" which would not otherwise come into being, and the resources of production will thereby, in all probability, be increased far beyond what they are now, thus defeating one of the primary objects of the movement, which is that of curtailing supply and creating an artificial scarcity. The fact that in all

combinations of this kind the stronger and more important firms who are parties to the agreement have to carry the weaker and less capable firms on their back, is another manifest difficulty in the way of the new syndicate. These, however, are matters for the syndicate as such to deal with. What it concerns the public to know is that, even if the syndicate succeeds, the increase in the price of salt for domestic purposes is likely to be inappreciable, but that there is a grave danger threatened to the industries that depend upon salt as a raw material. Of the important question of public policy involved in this and similar movements we are likely to hear more by and by.

The Times, October 13th, 1888.

From many quarters continues to come evidence of the truth, in these days at least, of Stephenson's saying that competition ceases where combination is possible. Everywhere are growing up trusts, unions and associations which enchain the economical forces,—individual enterprise, ambition, rivalry, and the struggle of almost equally capable agencies,—upon which we were wont to rely for cheapness of production and distribution. But nowhere are they springing up more rapidly than in America, especially in fields of industry in which hitherto competition has run riot. . .

These combinations are not yet common with us, though we have lately heard much about them. But there is no reason to suppose that if we knew them better we should like them any more than they are liked in America. The little experience which we have had is not attractive. The Cheshire salt trade has not been long in the hands of the Salt Union; and what is already the result? The promoters of the scheme told us that they had no thoughts of materially raising the price of that article, and that they would be content with a slight advance and with stimulating exportation, which undoubtedly increased. But what is the last outcome of the association? A correspondent in a letter which we publish to-day gives the answer: "Prior to the formation of the Union we paid for fine salt 24/- per ton, at the time it was actually formed 28/- per ton, and we have now received notice from the Union that the price will be 48/- per ton until further notice." Salt is still cheap; the directors may say that no one, however poor, will appreciate an advance. But we are not so sure that a rise of 100 per cent. will be immaterial to many kinds of manufacturers; and the ease with which the price can be raised in a few months reveals possibilities which do not recommend similar combinations. . . . There are rumours . . . of other combinations being probable, with the usual consequence of a rise in price. The fact is that large production with a reign of low profits in so many forms of industry is inducing manufacturers generally to study the possibilities of combination as they never did before, with results which they did not altogether expect. They find that competition even in the great industries of the country, carried on at many different seats, is not so inevitable or beyond control as they have assumed; they discover that while their rivals in trade cannot be beaten out of the field, they are often very glad to come to terms and to unite their forces. They are surprised

probably, as they examine the ground, how much of it can be secured by the consent of a few minds. We have long learnt that a small syndicate may regulate the price of a particular issue of bonds. It is now dawning upon many producers that such articles as oil, tar, salt, and sugar, though produced in vast quantities and in many places, may be manipulated by persons controlling an amount of capital not impractically large; and secretly, if not always openly, many organisations similar to the Salt Union are likely to be formed. . . . In America . . . in New York, and in other states also, the Courts have been disposed to treat such combinations as in restraint of trade and in violation of the rules of the Common Law. . . . But the whole question as to the right of individuals to combine their capital and forces to drive all who do not obey them out of the trade has never been fought out. Our Courts have had naturally, from well-known causes, plenty to say about the illegality of combinations of labour—they have been silent or obscure as to combinations of capital. Very soon, however, we must come to a clear understanding as to this point. Perhaps the common prejudices against such associations may turn out, when we know them better, to be much exaggerated, or even to be as erroneous economically as the laws of our forefathers against 'forestalling' and 'regrating.' Perhaps the conditions of modern industry are such that no great permanent harm can come of such associations, that their power can never long be excessive, and that they will by reason of inherent weakness fall to pieces whenever they try to seriously abuse their position. Perhaps too, we ought to welcome their appearance in some quarters as marking the end of wasteful competition. But the prejudice against such associations is strong. The fears as to their ultimate effect are considerable; and this prejudice and these fears will not be lessened by learning from our correspondent's letter that while the price of fine salt before the Salt Union was formed was 24/- per ton it is to be 48/- until further notice.

The Times, January 12th, 1889.

THE SALT UNION. Since the Salt Union came into existence the prices of all descriptions of salt have been steadily raised, until common salt, which was selling at 3/- to 5/- per ton, is now quoted at 7/- to 10/6 per ton. The quotations for lump and other qualities have also been increased by about 100 per cent., while some of the finer qualities have been raised 125 per cent. The Salt Union has drawn an imaginary line from Cardigan Bay to the Wash in Lincolnshire, and below that line the trade has been handed over to Mr. Corbett, of Stoke Prior Works, Worcestershire, while Cheshire dealers will be confined to the country north of the line. This arrangement has given rise to some complaints.

The Times, February 1st, 1889.

"The Statutory General Meeting of the shareholders in the Salt Union (Limited) was held on Saturday at the City Terminus Hotel, Lord Thurlow presiding. The meeting was attended with a painful incident, Mr. Wm.

Hickson, one of the vendors, being seized with a sudden attack of illness and expiring in a few minutes. The Chairman stated that the meeting was only formal, having to be held within four months of the formation of the Company, and that there was no report or statement of accounts to present . . . all the anticipations foreshadowed in the prospectus had been amply fulfilled. The long list of properties referred to in the second page of the prospectus had all been acquired with two or three trifling exceptions. He would be wanting in his duty unless he referred to one of these estates—the salt works and salt royalties of Messrs. Bell Bros., of Middlesboro'. . . The property embraced if not all, at any rate the richest and most important of the rock and brine regions . . . there could be no doubt that the salt works at Middlesboro' would supply all the large fishing stations from Aberdeen to the south, and those of Newcastle, the Humber, Yarmouth, Lowestoft, &c. The chemical works would absorb enormous quantities of salt . . . the Baltic . . . the Danish and export trade. A good deal of nonsense had been spoken and written about the so-called monopoly of the Salt Union. He was not an advocate of a monopoly, and they did not represent a monopoly. . . All that the Company aspired to was to occupy such a commanding and controlling position in the trade as to enable them to secure for the industry . . . conditions without which no industry could flourish. . . He desired to say one other word on the subject of subsidence. . . In some quarters persons had gone so far as to say that there was only 'one neck to wring' and that they intended to wring it. He hoped they would try, but they would not find it so easy or simple . . . facts in connection with this subject which should have a tranquilising effect on the minds of the shareholders. . . There were 4,000 shareholders in the Company. . . A few questions having been asked, the chairman in reply said it was too early to make any kind of prophecy as to what the dividends would be, but he had no doubt they would be satisfactory, judging from the accounts of the first two months' working. . . The meeting passed a vote of condolence with the family of Mr. Hickson. . .

The Times, February 4th, 1889.

THE SALT UNION, LIMITED.

REPORT FOR 1889.

Delivered at the First Ordinary General Meeting on the 27th day of February, 1890, at the City Terminus Hotel, Cannon Street, London.

BOARD OF DIRECTORS.

- The Right Honourable LORD THURLOW, P.C., F.R.S., London, *Chairman*.
 JOHN CORBETT, Esq., M.P., *Deputy Chairman, Managing Director, Worcestershire District*.
 JOSEPH VERDIN, Esq., J.P., *Managing Director, Cheshire District*.
 RICHARD GRIGG, Esq., *Managing Director, Middlesbrough District*.
 HERMAN JOHN FALK, Esq., *Managing Director, Irish District*.
 Hon. LIONEL ASHLEY, London.
 EDWARD SABINE BARING-GOULD, Esq., London.
 GEORGE HENRY DEAKIN, Esq., Cheshire.
 PASCOE ST. LEGER GRENFELL, Esq., London.
 GEORGE WOODYATT HASTINGS, Esq., M.P., Worcestershire.
 CHRISTOPHER KAY, Esq., J.P., Cheshire.
 Hon. CHARLES WILLIAM MILLS, M.P., London.
 WALTER ROBINSON, Esq., London.
 WILLIAM HENRY VERDIN, Esq., J.P., Cheshire.

POSSESSION OF THE SALT WORKS.—On the 1st November, 1888—three weeks after the subscription of the capital—possession was obtained of a number of the works agreed to be acquired, with partial control of others pending the completion of the purchases, the remainder being taken over from time to time. On the 1st January, 1889, the Union practically had control of nearly all its salt works.

In addition to the properties originally agreed to be acquired, the Union has been able, out of its working capital, to purchase the important salt works of Bell Brothers, Limited, at Middlesbrough, and of the Runcorn Soap and Alkali Co., and of the Wharton Railway and River Salt Works Co., Limited, in Cheshire (with other minor properties), for which negotiations had been pending prior to the subscription of the capital. Besides the freeholds and leaseholds acquired, a large area of rock salt and brine lands is retained for the Union. As carriers of salt the Union possesses more than 3,000 railway trucks and vans, with the requisite yard locomotives; upwards

of 60 steamers; and about 300 barges, flats and canal boats, which were acquired with the several salt properties.

SALT TRADE IN 1889.—The object of the Union having been to end the disastrous competition which had caused salt to be sold at prices considerably below the actual cost of production, an increase of prices became necessary in order to cover cost, and permit of a fair and reasonable return upon capital. During the past year there has been an abnormal contraction in the export salt trade from the Mersey, owing largely to the rise in ocean freights, and to the unusually heavy exports in 1888 in anticipation of an increase of prices.

FUTURE SALT TRADE.—The returns received from the various district offices since January 1st, 1890, confirm the anticipation of your directors, that such markets as had been heavily stocked at low prices would soon revert to their normal demands. Contracts have been made for the Union with a large number of manufacturers engaged in chemical and kindred industries, for the supply of their entire consumption of salt during a period of five years, from 1st January, 1890, at prices which your directors consider mutually advantageous.

BALANCE SHEET.—It will be observed that a sum of £18,840 13s. 8d. has been charged to capital account in respect of economic concentration of brine supplies from various pumping stations in the Cheshire District, as well as on account of the development of the new properties now proceeding in the Durham District.

The surplus freehold estates have been entered in the Balance Sheet at a low valuation, irrespective of their worth as rock salt, brine and building areas. These properties may be regarded as a valuable reserve and permanent source of income.

The item of £114,038 represents the par value of shares owned by the Union in other salt companies in the United Kingdom, whereby the proprietary control of those companies is secured.

The amount owing by the Union, at 31st December last, as shown in the Balance Sheet, is £101,205 8s. 4d., whilst the sum owing to the Union is £123,418 2s. 3d., the cash at bankers on current and deposit accounts, and in hand, being £142,738 os. 1d., and bills receivable £3,964 10s. 6d.

In relation to the item of stocks of salt, fuel and material, the orders on hand for salt were in excess of the stocks at the 31st December, 1889.

PROFIT AND LOSS ACCOUNT.—The gross profits on the sale of salt, exclusive of other profits, have amounted to £474,990 7s. 3d. This sum would have been considerably increased had it been possible to make the prices of salt as fixed by your directors apply to the large tonnage contracted for prior to the Union. With a few exceptions all the sales of manufactured salt are now at Union prices, which are based upon the increased cost of labour, fuel and other commodities.

Beyond its profits as manufacturers, the Union derives a considerable revenue from the carriage of salt, and from the rentals of freehold and leasehold properties.

DIVIDEND AND RESERVE.—After deducting the cost of Maintenance of Plant, Administration, and other charges set forth in the Profit and Loss Account, the profits from all sources amount to £368,512 10 0

From this sum must be deducted the Debenture Interest payable on 1st January and 1st July, 1889, and 1st January, 1890 £48,124 1 2

And the Interim Dividends to 30th June last, at the rate of 7 per cent. per annum on the Preference Shares, and 10/- per Share on the Ordinary Shares 144,333 6 8

192,457 7 10

Leaving .. £176,055 2 2

Out of this sum your directors recommend that dividends at the rate of 7 per cent. per annum on the preference shares, and at the rate of 10 per cent. per annum on the ordinary shares, for the half year ended 31st December last, be paid on and after the 12th day of March, 1890; that the sum of £40,000 be placed to reserve; and £1,055 2s. 2d. be carried forward.

SALT DISTRIBUTION.—Under stipulations contained in most of the agreements for sale and purchase of the salt properties, vendors have been appointed distributors of Union salt, they obtaining the orders from the consumers, shippers and traders, and guaranteeing monthly payment to the Union. The system of distribution does not apply to the Durham, Staffordshire and Irish Districts, where the Union sells salt to its customers direct.

CHESHIRE DISTRICT.—Mr. Joseph Verdin, who undertook the managing directorship of the extensive Cheshire District during the first and most difficult period of organisation and consolidation, and who has declined to accept any remuneration for such services, feels that he may shortly claim to be relieved of some portion of his onerous duties. Mr. Verdin will, however, continue to act until his successor is appointed, and will then retain his seat on the Board as a director.

DIRECTORATE.—The vacancy caused by the death of Mr. James Stubbs is about to be filled by the appointment of an additional mercantile representative from the port of Liverpool.

CONVERSION OF SHARES INTO STOCK.—In accordance with the original intention of the Board, it is proposed to take the opportunity of the present annual meeting to obtain the requisite powers for converting the 7 per cent. preference shares and the ordinary shares into corresponding 7 per cent. preference stock and ordinary stock respectively, transferable in amounts of £10 and upwards, and also to similarly convert into stock the vendors' shares, so soon as they have been granted a Stock Exchange settlement and quotation, which are expected to be obtained after 11th of June next.

COMPENSATION FOR SUBSIDENCE.—This question, which involves the greater question of creating a proprietary right to underground water, was fully considered by a Select Committee of the House of Commons, on the promotion of a private Bill by the Local Boards and others in 1881, when, after a hearing lasting over a fortnight, the Committee unanimously rejected the Bill.

Since the acquisition of the Cheshire salt properties by the Union, the efforts to establish a claim to compensation have been revived, and deputations from the Local Boards of Northwich and Winsford have waited upon the Right Hon. C. T. Ritchie, M.P., President of the Local Government Board, with a view to obtaining a Royal Commission to enquire into the subject. Mr. Ritchie advised the deputations to endeavour to settle the matter with the Salt Union and Brunner, Mond & Company, Limited, who together, are the principal, though not the only brine pumpers in Cheshire. Accordingly a deputation from the two Local Boards waited upon your directors and explained their views; but the Union not being legally liable for damage, your directors decided to refer the matter to the shareholders for consideration at the annual meeting, and will ask for authority to resist any attempt to impose a liability, which would necessarily be unlimited.

In conclusion your directors consider that notwithstanding the exceptional difficulties incident to the first year's working of such a large undertaking as the Salt Union, and the impossibility of deriving at once the full benefit of all the realizable economies, the results so far have been satisfactory, and that the strength and solidity of the Union will enable it successfully to maintain its position in the salt industry.

THURLOW, *Chairman.*

EDM. C. WICKES, *Secretary.*

18th February, 1890.

APPOINTMENT OF SALT DISTRIBUTOR.

To

.....

THE SALT UNION, LIMITED, of Number 2, Salters' Hall Court, London, E.C. (*hereinafter called the Union*), hereby, in consideration of the payments to be duly and regularly made for salt and of the due observance and performance by you of the conditions herein contained, appoints you to be one of its Salt Distributors on the terms and conditions following, viz. :—

1. The Union will supply you with salt (*a*) at prices not being more than those charged by the Union for the time being for the same kinds or qualities of salt sold for delivery at the same places to any other Distributors, having the right to use their special brands, and (*b*) in other cases at such prices as the Union may fix at the time of the order, not being more than those charged under like circumstances for the same quality of salt to any other Distributors.

2. You are not to sell, or contract to sell, salt at prices less than the prices from time to time authorised by the Union, nor make or allow any discount, commission, or gift to any of your customers.

3. Where differential rates are authorised by the Union for different places or countries, you are not to sell salt to any customer at those rates except upon an undertaking in writing by the customer that it shall not be delivered at any other ports or places than those specified in the order, and you are to take all necessary steps to enforce such undertaking and are not to sell to any person having once broken any such undertaking.

4. With the exception of salt sold in the Middlesbrough and Carrickfergus Districts, all salt sold by you is to be sold on the terms that it is to be carried in and delivered at the agreed place of delivery from the Union's own wagons or vessels at the customary charges payable by you.

5. The Union does not bind itself to deliver any salt except at the works at which it is produced, and, upon receiving any order, may elect at which of its works the salt ordered or any part of it is to be delivered, subject to any special contracts which the Union has entered into as to particular brands or the supply from particular works.

6. The Union hereby notify you that it has entered into contracts for the supply of salt, without limit as to quantity; that it is about to make appointments of other Distributors on terms similar to those herein contained; that it is bound under certain conditions not to sell salt coming from certain works or within certain districts, except to certain persons; that it has given exclusive rights for the sale of particular salts, and salts

coming from particular works ; that *you are not to sell for delivery on the south side salt manufactured or produced on the north side of a line drawn across the Map of England and Wales, from Cardigan to Fossdyke Wash, in a straight line*, except that Wolverhampton and suburbs are to be deemed south of the line. You are, however, at liberty to send salt by sea to any port for any purpose, and to Yarmouth and Lowestoft for fish-curing purposes only. The Union reserve the right to alter or readjust the said line at any time after the 31st December, 1889.

7. The Union are not bound to make any sale hereunder for delivery to any person that might prevent it from performing such other contracts or the terms of any other appointment, or which would involve any breach of any such contract. And every sale hereunder being made upon such terms as will protect the Union against any breach of any such agreement or any agreement hereafter entered into with a vendor of any business, works or mines.

8. The Union is to allow you a discount of $2\frac{1}{2}$ per cent. off the price of the salt delivered at the works, with the exception of salt delivered at Runcorn, Weston and Liverpool, for shipment for foreign and coastwise ports, when a discount of $2\frac{1}{2}$ per cent. off the delivered prices at such places is to be allowed.

9. All accounts between you and the Union are to be settled and paid on the 10th day of each calendar month for all salt delivered by the Union to you or to your order during the preceding calendar month.

10. Within fourteen days from the date hereof you are to procure some person or company, to be approved by the Board of Directors of the Union, to guarantee in a form satisfactory to the Union the payment by you of all sums becoming due to the Union under this appointment to an amount not exceeding _____ pounds.

11. If you commit any breach of any of the conditions of this appointment, the Union may notwithstanding any waiver of any preceding breach forthwith revoke this appointment, and in case of any breach by you of the 2nd clause hereof, you are also to be liable to pay to the Union the sum of £100 for each and every such breach as and for liquidated damages.

12. The Union reserve the right to alter or vary the terms and conditions of this appointment at any time.

By order,

Secretary.

SALT UNION, LIMITED,
SALTERS' HALL COURT,
LONDON, E.C.,
13th March, 1889.

REPORT FOR 1890.

Delivered at the Second Ordinary General Meeting, on the 20th day of February, 1891, at the City Terminus Hotel, Cannon Street, London.

Your directors have the honour to present the Second Annual Report and Balance Sheet for the year ended 31st December, 1890.

THE UNION SALT TRADE IN 1890.—The gross tonnage of salt delivered by the Union in 1890 was 1,629,000 tons, being an increase of about 80,000 tons compared with the year 1889, forming part of the period covered by the first report and balance sheet from the incorporation of the Union in October, 1888, to 31st December, 1889.

CONTRACTS WITH CHEMICAL MANUFACTURERS.—Most of the chemical manufacturers referred to in last year's report as having made contracts for the entire consumption of salt at their works during a period of five years, having agreed to transfer their works to "The United Alkali Company, Limited," their contracts for the unexpired periods remain to be completed by the United Alkali Company, on behalf of the chemical manufacturers.

COST OF MANUFACTURE.—During the year the cost of the manufacture of salt has been considerably augmented by the increase in the price of fuel and other materials; and by the higher rates of wages paid by the Union.

MAINTENANCE.—The salt works, pans and machinery in operation, steamers, barges, flats and canal boats, and the locomotives and other railway stock, required for the Company's business, have been maintained in good condition and in many respects materially improved.

BALANCE SHEET.—During the year the sum of £13,963 4s. 8d. has been charged to capital account, largely in connection with the progressive development of the Union property in the Durham District.

The amount owing by the Union at 31st December last, as shown in the balance sheet, is £118,777 15s. 1d., whilst the sum owing to the Union is £104,645 12s. 1d., the cash at bankers on current and deposit accounts, and in hand, being £178,936 4s. 11d., and bills receivable £2,204 6s. 1d.

PROFIT AND LOSS ACCOUNT.—The amount standing to the credit of this account for the sale of salt, fuel and brine is £440,719 14s. 5d. Further sums amounting to £83,480 5s. 4d., representing the profits earned from carriage and other sources, bring the total amount credited to this account to £524,199 19s. 9d.

After deducting the cost of Maintenance of Plant, Distributors' Commission and the other charges set forth in the Profit and Loss Account, the profits from all sources amount to

£306,447 0 9

To which should be added the amount brought forward

1,055 2 2

307,502 2 11

From this sum must be deducted the Debenture Interest paid on 1st July, 1890, and 1st January, 1891

£45,000 0 0

And the Interim Dividends to 30th June last, at the rate of 7 per cent. per annum on the Preference Shares, and 6 per cent. per annum on the Ordinary shares

95,000 0 0

140,000 0 0

Leaving .. £167,502 2 11

Your Directors recommend that Dividends for the half-year ended 31st December last be paid on and after the 9th day of March, 1891, at the rate of 7 per cent. per annum on the Preference Shares, which will require ..

£35,000 0 0

And at the rate of 8 per cent. per annum on the Ordinary Shares, which will absorb

80,000 0 0

That there be placed to Reserve

50,000 0 0

And that there be carried forward

2,502 2 11

£167,502 2 11

THE BORING IN CHESHIRE.—Your directors decided to bore for coal in Cheshire, where well-known geologists believe it exists. Petroleum and natural gas accompany salt deposits in several parts of the world, and experts are of opinion that they may also exist under the English salt beds. The gas strata usually appear to be about 2,000 feet below the surface. It was arranged to contract for boring, if necessary, to a depth of 3,000 feet. The boring is on freehold land of the Union at Marston, and the depth attained at present is 819 feet.

COMPENSATION FOR SUBSIDENCE.—A public Bill has been introduced into Parliament by Mr. Brunner and other Members, entitled "A Bill to provide compensation for owners of property suffering through the subsidence of the ground caused by the pumping of brine." The same question came before Parliament on a Private Bill in 1881, when after a hearing occupying a fortnight, the Select Committee unanimously rejected the Bill. The Bill proposes to enable "Compensation Boards" to be formed in the salt districts of England, to levy not exceeding threepence per thousand gallons of brine pumped, for providing a Compensation Fund,

and excludes brine pumpers, railway and canal companies, and certain other bodies, from participation therein. It will be the duty of your Board to endeavour to safeguard your interests in respect of this measure, which would in effect increase the customary brine rents, and by taxing brine (which is about three parts "underground water") create a precedent for taxing other industries using underground water holding sand, chalk, or other substances in suspension or solution, thus altering the common Law of England.

UNITED STATES OF AMERICA.—The North American Salt Company having been reorganized for the acquisition of the salt properties in the State of New York, numbering sixty works, and arranged for the output of salt of the Syracuse Solar Salt Manufacturers, comprising twenty-seven works, together eighty-seven properties, desired to make a new agreement with the Salt Union. The properties were inspected last autumn by Mr. Richard Grigg, Managing Director of your Durham District, and by Mr. Thos. Ward, F.G.S., Manager of your Cheshire District, who have reported thereon to the Board. The terms of agreement have been settled with the President of the North American Company, and your directors consider the arrangement will be of advantage to both companies.

THURLOW, *Chairman.*

EDM. C. WICKES, *Secretary.*

12th February, 1891.

SECOND ORDINARY GENERAL MEETING.

The Second Ordinary General Meeting of the shareholders of the Salt Union, Limited, was held at the City Terminus Hotel, Cannon Street, London, on February 20th, 1891. Lord Thurlow, Chairman of the Board of Directors, presided.

THE CHAIRMAN'S ADDRESS.

Lord Thurlow said : I will now proceed to make a few remarks which no doubt you will expect to come from the chair on an occasion of this kind. . . . You will see that the increase of salt sold is not unsatisfactory, being 80,000 tons in excess of what was sold in the previous twelve months. Nor do I think it can be considered unsatisfactory that these 80,000 tons have been sold at an increased price of something like 7½d. per ton on an average. These figures confute thoroughly the theory that the formation of the Salt Union has driven and is still driving the salt trade out of this country. I think the figures are sufficiently eloquent in themselves, and require very little additional explanation.

THE OPPOSITION COMPANIES.

Of course, it was only natural that the formation of the Salt Union should encourage outside attempts from various quarters to develop new properties and create other sources of supply, but we have had some experience of the results of those attempts, and I am bound to say that they are satisfactory

to the shareholders of the Salt Union. We all know what has happened to the companies formed in Durham. I don't think anybody will say they are a success. Then we come to the properties bought and the new companies formed with the view of producing salt in Cheshire. I am not going to refer to any individually, but I am bound to say that, modest as were my anticipations of their success, they have not come up to them, and as regards most of them, I think I am within the truth when I say that we can at reasonable prices acquire them at any time we please. I do not think they have prejudiced the position of the Salt Union in the least. I consider they have strengthened it, inasmuch as to some extent they have possibly prevented our exercising anything like a strict monopoly in any one district. . . . I now wish to say a word on

THE SUBSIDENCE QUESTION.

You are aware that Mr. Brunner has presented a Bill to Parliament to remove the hardships suffered by small householders in the districts affected by subsidence. That Bill, no doubt, is an honest attempt on his part to deal with the very vexed question on which a very great deal of feeling naturally exists; but those who know the difficulty of passing a Bill under any circumstances, and especially the difficulty of passing a Bill which proposes to alter the common law of the land, can have very little expectation of that Bill passing into law, at any rate, this year. It may be that it will be altered in several respects, and passed in a modified and comparatively innocuous shape; but that it will pass in its present form I have no expectation whatever. If it should pass in its present state it would mean practically 1 per cent. off your dividends. It would also have

OTHER VERY CURIOUS RESULTS.

It would alter the common law of England in respect of underground water, and it would, for example, render the London County Council and all other local bodies liable for injuries that may accrue, and have accrued before now, from the pumping up of the water and sand which is often necessary in the construction of new streets and sewers in towns and cities. I therefore think it is not unreasonable to say that the House of Commons will act with very great deliberation before it proceeds to make such a drastic alteration in the common law of the land. Then, as regards the results—the evils that this Bill is designed to mitigate and alleviate. I do not doubt that hardships exist, especially among the poorer classes of property owners; but we know that provision has been made to meet such cases, and we know too that no application has yet been received by those who have charge of the fund formed by Mr. Verdin elsewhere to participate in that fund. It would therefore really look as if the people themselves were not very active in coming forward to seek some kind of redress. We all know that brine pumping in Cheshire is certainly nothing new, and is not confined to the Salt Union. It extends, for example, to those large consumers of brine in Cheshire, Brunner, Mond and Company, and probably owing to that circumstance Mr. Brunner feels his responsibility. When I think of Cheshire, and

what that county owes to that industry, which has been carried on there since the time of Julius Cæsar, I am bound to repeat what I have previously stated, that these towns would not have been built and rents would not have been drawn from cottages occupied by an industrious and thriving population as they now are had it not been for this system of brine pumping, which is the inevitable concomitant to the carrying on of this industry. . . . As regards

THE YEAR 1891,

I am not going to prophesy anything about the outcome of the twelve months upon which we have embarked, but I do desire to say this much, that I think it will be a year that will have very important bearings on the future of the Salt Union. . . . I desire to refer very briefly to one point, about which a great deal has appeared in the columns of more than one newspaper, namely, the desirability in the interests of the Union shareholders of establishing what has been called

A PILOT COMPANY.

Now, I think that it does not require any very extraordinary amount of prescience to imagine, at any rate, that a certain proportion of these letters emanate directly or indirectly from ingenious, and industrious, and well-meaning gentlemen, who have something to sell. What I wish to say to-day is this, that although we have not deemed it necessary, and do not deem it necessary, for reasons which I will explain, to form what they call a Pilot Company, yet we have not been idle. Various patents and new processes have been submitted and carefully considered. As a matter of fact, we have a Patents Committee, who have held meetings in various parts of the country, as necessity arose, and consulted the leading scientific experts of Great Britain. We have during the past year enquired into and put to severe practical test several of the more important inventions that have been placed before us. You must remember, however, that at least two of your directors, Mr. Corbett and Mr. Verdin, have been for the last twenty-five or thirty years spending thousands of pounds in investigating patents. The result has certainly not been encouraging to launch into any very great expenditure, and we have felt, judging from the past, that it behoved us in your interests to act with very great caution and care before we spent large sums of money which inventors and patentees usually require for the acquisition of some patent that might be of dubious validity or doubtful commercial importance. I will tell you one thing we have done in the way of the acquisition of patents. We have acquired one patent that emanated from the great brain of Sir Lowthian Bell. He is the inventor of an appliance for the use of waste heat from iron and other works. It has proved successful at his own works, and he has now hit upon an improved scheme for employing waste heat in other ways. We have acquired that patent on terms which I think you will approve, and which I consider any patent, if possible, ought to be acquired on. We are to make him payments in accordance with results. We are erecting pans to try the new method, partly at our expense, and partly at his. . . . Before I sit down, I desire to refer briefly to the

CHANGES IN THE DIRECTORATE

indicated in the report. You know we have lost the services of one of our Cheshire directors (Mr. George Deakin), which we all regret. You are perhaps aware that he no longer resides permanently in Cheshire, and he has given up his office in consequence. The vacancy thus caused, being a casual one, we had it in our power to fill up, and would have been fully justified in doing so. We knew, however, that there was a large section of the shareholders who desired to take the opportunity of appointing a gentleman in whom they reposed a very wide measure of confidence, Mr. Thomas Ward. Well, we consequently decided to leave that vacancy open, for you to fill up to-day in any way that you might wish. We have, as a matter of fact, received notice that he will be nominated to-day, and if he takes his seat at the Board on your nomination, and at your request, I can only say that he will meet with a cordial reception from all of us, and we shall value his advice very highly. . . . In answering any questions you may put we shall be perfectly frank, and attempt to conceal nothing. We have

NO SKELETON IN OUR CUPBOARD,

with the exception of those private differences of opinion which must constantly occur in carrying out and performing the various executive duties which come before a Board of this description. Differences of opinion must, of course, arise in a Board composed of men of vast experience and property, holding strong opinions of their own on matters connected with the trade. In no case have those differences gone beyond what might have been expected, and what was in the absolute interest of the shareholders. For a Board of this size, dealing with the subjects that come before us, to be absolutely unanimous on all points could not be for your interests. It would mean that we were a Board almost without individuality. It cannot be said that we are a Board without individuality.

THE EXPENSES OF ADMINISTRATION.

Mr. Giles said he thought the shareholders could not help regarding the accounts as to a certain extent unsatisfactory. They had observed during the year an increase in the exports, and they had naturally looked for something in the shape of a better dividend, in spite of strikes and the increased price of coal and labour. During the first year there were certain difficulties to be overcome, and during the second year they were overcome, and the shareholders naturally expected that the trade would go on smoothly, and that the profits would be larger. It appeared to him that a large amount of the balance required to account for the difference in the dividends was found in the profit and loss account. He there observed that out of gross profits amounting to £524,000, only £306,000 was carried to the balance sheet, leaving a sum of £218,000 for administration and other expenses. The items to which he wished particularly to call attention were—administration expenses, £31,303; distributors' commission, £36,541; fees and travelling expenses of the directors, £8,545; and law charges, £3,547. Those seemed

to be very heavy figures, notwithstanding the gigantic character of the business carried on. The item for distributors' commission alone amounted to close upon 10 per cent. on the amount of the gross profits shown on salt, fuel and brine sales. . . . He wished to ask whether that was not a very excessive price for the sale of their commodity. With regard to the administration expenses, seeing that all the cost of production was deducted from the gross profits, was not £31,303 an enormous sum to pay for administration expenses?

NO PROSPECTS OF FURTHER ECONOMY.

In the course of his replies to questions the Chairman said: I say that with a difference in the mode of treatment you might have had, and very likely would have had from a less conservative Board, a Board holding a less quantity of your own stock and shares, another 3 per cent. So that, instead of 7 per cent., you might have had 10 per cent. on the ordinary shares. But it would not have been to your advantage to have had that; I say it distinctly and advisedly. We have had very good financial men to advise us on financial subjects, and we have very close auditors, who examine our accounts with very great minuteness. I do not think we can hold out any prospects of further economy. We are aiming at a very high state of efficiency, and when you look at what industrial concerns pay, when you remember what you get, for example, if you put your money into railways, when you remember that it is difficult to invest in railways so as to receive more than $3\frac{1}{4}$ per cent. or $3\frac{1}{2}$ per cent. for your money, and that you cannot get more than $2\frac{1}{2}$ per cent. for consols, I think, as compared with that, 7 per cent. dividend on ordinary shares under the most critical and conservative system of finance which we have adopted, and which might have been stretched to pay a much higher dividend, the shareholders ought to be satisfied with their investments, and I think the shares ought to stand at a much higher premium than they do in the market. The price of our shares in the market to-day is a matter of absolute surprise to me. Here we are a Company representing real and leasehold property of enormous magnitude, with a controlling influence and power over one of the largest and most essential industries in the country, with the power, if we choose, of absorbing any of our competitors, indeed, most of them would only be too glad to be absorbed, but it is not desirable to absorb them all; we should be laying ourselves open to a great many criticisms if we did; our position is stronger for having competitors, and I hope we shall always continue to have competitors in the salt trade of England. I do not believe it is possible for these shares to continue at their present low price, when all these things become better known and appreciated, and when—I must use the word—the timidity of a certain class of our shareholders has given way to that absolute confidence which they ought to feel in their investment.

FUTURE POLICY, THE DEMANDS OF THE ORDINARY SHAREHOLDERS.

Mr. Keene wished to know whether the future policy of the Salt Union would continue to be that of taking away sums such as had been taken

away from the ordinary shareholders during the last two years, and placing them to a reserve fund, which materially strengthened the position of the debenture holders and preference shareholders, who were already fully secured. He thought it was an injustice that a sum of £50,000, representing $2\frac{1}{2}$ per cent., which absolutely belonged to the ordinary shareholders of the Company, should be taken and set aside to strengthen the hands of the shareholders and debenture holders, who were fully secured.

The Chairman : It may be true that the debentures have advanced two since the publication of this report, but I should like to say that if there is one point on which I think there is more unanimity than another on the part of the large and important shareholders, it is as to the absolute necessity of our creating a strong reserve fund. I need not go far back in history to look at what happened with the Bank of England the other day, and see how much better it would have been if it had had a stronger reserve fund. A Company like our own is exposed—I will not say more exposed than other companies—but it undoubtedly is exposed to dangers and risks from strikes, and from a variety of other circumstances, and it is right, therefore, that we should have a strong reserve fund upon which in years to come—not perhaps just now—but in years to come, we may be enabled if we desire to draw for the purpose of equalising our dividends. At the present moment our reserve fund would not perhaps be fairly considered strong enough to avail ourselves of it for that purpose, but when it has reached, as I hope and believe it will before long reach, something like half a million or a million, then in a bad year we shall be entitled—and undoubtedly those who are then governing this Company will do so—to draw upon that reserve fund for the purpose of equalizing the dividends. It appears to me that the gentleman opposite me has taken a faulty view of the objects of the reserve fund. Its object is undoubtedly to secure to a still further extent, not the debenture holder or the preference shareholder, who are both amply secured already, but the ordinary shareholder. Now, supposing this Company were to be wound up or go into liquidation to-morrow, there is not a shadow of doubt that the break-up value of the property that you possess would pay the last penny due to the debenture holder and the preference shareholder, and would leave a very handsome dividend also for the ordinary shareholder, even if it did not pay him in full ; but to insure his being paid in full is one of the objects for which the reserve fund was created. It is the distinct intention of the present Board to do all in their power to set aside, out of the profits of each year, as large a sum as they think can properly be spared for the purpose of increasing and strengthening that reserve fund.

The motion for the adoption of the report and balance sheet was then put and unanimously agreed to.

The dividend was declared, and after a lively discussion Lord Thurlow, the Hon. Lionel Ashley and Mr. Hastings were re-elected directors, and Mr. Thomas Ward was unanimously elected to a seat on the Board.

HALF-YEARLY EXTRAORDINARY GENERAL MEETING.

A Half-yearly Extraordinary General Meeting of the Salt Union, Limited, was held at the Cannon Street Hotel, London, on August 6th, 1891. The notice convening the meeting stated that interim dividends would be declared by the directors, and a statement made as to the policy of the Board. The Hon. Lionel Ashley presided.

THE CHAIRMAN'S ADDRESS.

The Chairman: Well, now, gentlemen, as you are all well aware, the retirement of some of our directors has given rise to a great many unfounded rumours, to a great many erroneous newspaper statements as regards the position of the Union, and therefore, we, the Board, thought it well to ask the shareholders to meet us here in order that we might give them a report as to the position of the Company, and also a statement as to the policy that we think should be adopted. As regards

THE RETIREMENT OF THE DIRECTORS,

my observations will be very brief. The Cheshire directors, in the letter of resignation, state that there have been many divergencies of opinion on the Board, and no doubt there have been many such divergencies from the outset, and surely it is not surprising that there should be any such divergencies when we consider the experimental character and the novel conditions under which this vast combination of businesses was placed under our control. But I must be permitted to say that these gentlemen, on account of their great experience, and on account of their great energy, were given from the very outset a very wide discretion as regards the Cheshire management, and also, that their advice and guidance on account of their great experience have directed in a very large manner the general policy of the Union, and more especially what I would call the policy of prices; that is to say, the prices at which the salt to be sold at our works was to be fixed. It was not till that management and that policy had been tested by experience and by time that we thought it right in the interests of the shareholders to advocate new lines of action. The result was that some of these Cheshire directors have retired, and it is for the shareholders now to decide if the policy which we are going to propose is to be carried out by us, or whether the direction of affairs is to be entrusted to others. Having stated this much as regards the past action of the Board in answer to the letter of the retiring directors, I will now give you a brief report of

THE PRESENT POSITION OF THE COMPANY.

I will return to the question of the future management later on. During the first six months of the present year, the tonnage of salt sold by us has been 780,000 tons. This quantity is 70,000 tons less than during the corresponding period in 1890, and is 30,000 tons more than in the corresponding period of 1889. This decrease as compared with the period of 1890 is due

in the first place to the quantity of rock salt that has been shipped by German competitors to the Calcutta market. It is still, I believe, an open question whether this cheaper German salt rock product can compete for any length of time with the dearer and better grained salt that is made from brine, but this market is receiving our careful attention, with a view to determine whether any reduction of price is necessary. The second cause of decrease in our trade has been the competition in the domestic or fine salt branch of the trade. The competitors have chiefly attacked this small and specially remunerative branch of the business. We thought it well some time ago to reduce prices to a certain extent. This reduction and the reduced sale of the high priced salt have caused the result that the average price of salt realized for the half year is less than in 1890. I think it is very evident that in the present state of the market the price of this salt will have to be reduced still further, but I do not see why with the advantages we possess we should not retain this branch of the trade, and make a fair profit, if due care and economy are exercised. Against this decrease in trade and price we have to set a certain saving in our fuel bill for the last six months, we having been able to purchase at a lesser rate than heretofore. There has been also a slight fall in the price of material, which has a little favoured our accounts. But our wages in some cases have increased.

THE RESULTS OF THE TRADING OPERATIONS

during the last half year, including balance of £2,502 carried forward at the end of the last half year, show a profit before deducting debenture interest of £124,600, as compared with £148,168 in the corresponding period of last year. After paying debenture interest on £22,500, and if we pay interest on preference shares of £35,000, there remains a sum of £67,100, which is available for distribution as an interim dividend on the ordinary shares.

THE DIVIDENDS.

Before declaring this dividend, the directors have to consider whether during the present six months they may not be compelled to reduce the prices of certain qualities of salt in certain districts as has been foreshadowed. I think it as well to say to the shareholders that we may have to fight in this direction; we may have to reduce for a certain time in order to compete with our competitors, but we have competed with the competitors, and we now declare 7 per cent. per annum on the preference shares and five per cent. per annum on the ordinary shares, to be paid on August 18th. That will leave us £17,100 to be carried forward, and the appropriation of that will come into the next half-year's account. By declaring this interim dividend the directors show that they have confidence in the future, even with the probability of lower prices, provided that the economies which they think possible and the unifications of management are carried out. That brings me to the question which is set forth in the notice calling the meeting—that is the question of

THE FUTURE POLICY OF THE UNION,

or, rather, what we think ought to be the future policy of the Union. I think it is very evident, and I think you will agree with me after what I have just said, that the Union has suffered and is suffering from the increase of competition. No reasonable man can doubt that this competition is stimulated by some prices of salt having been fixed too high. Therefore, the first thing the directors think necessary in foreshadowing the line of their policy is that there should be a careful revision of prices, with a view to reduction when and where necessary. If we are able to come to an agreement with our distributors, as we hope we may, that revision of prices in different districts will be made very much easier. Then the second and third points of our policy may be joined together. Increased economy by unification of management. We think that a general manager, or Executive Committee, having control over as many districts as possible, and visiting each alternately for the purpose of utilizing the works of each district for the advantage of all, may effect a great saving in the utilization of plant, in the manufacture of salt, and in repairs; and we think that the more complete knowledge that will be thus gained of the management of the fuel used, &c., will also bring considerable saving. The fifth point can hardly be called policy, because it does not depend on the Board, except so far as we may use past endeavours to bring it about by conciliatory negotiations, that is a modification in the system of distribution. Negotiations at this moment are going on with all the distributors, which we hope will be successful, and I should like to say we have no wish to dispossess or to eliminate the distributors. On the contrary, we think the Union has derived great advantages from the trade connection with them, and we wish to continue working with them on a friendly basis; but it is necessary for the welfare of the Union that we should work on a freer and more commercial basis, and our aim and desire is that our interests and the interests of the distributors should be merged together. It would be better if we could be brought more in touch with the distributors by the formation of advisory boards in different districts, who might meet together and give us their views on the different phases of the trade. That, gentlemen, is roughly the outline of the policy which we think should be adopted, and we think if it were carried out it would have every reasonable prospect of success. I will, before I say my final word, touch on two points of interest to the shareholders. One is that

BORING OPERATIONS

continue, and have now reached 1,800 feet, and the works are now passing through a bed of red and blue marl and gypsum. The second item is that, as you see by the report at the last general meeting, we have opposed the Bill for

COMPENSATION FOR SUBSIDENCE,

which has now passed into law. Undoubtedly through our opposition we have obtained certain amendments to certain clauses, and I think these will

tend to mitigate the severity with which the Act would have borne on the salt industry. I hope that the good sense and commercial instincts of the salt district will prevent the Act being abused. Now, I will return to what I said I would mention before I sat down, and that is the

FUTURE MANAGEMENT OF THE COMPANY.

It is for the shareholders to decide if they approve of the policy we have laid before them, and if they wish this policy to be carried out by the present Board.

IMPORTANT LETTER FROM MR. CORBETT, M.P.

We had hopes that Mr. Corbett might be induced to rejoin the present Board and I will, with your permission, read a letter he has written to me, which I received this morning, and which he wrote for the purpose of its being read to the meeting :—

“IMPNEY, DROITWICH,

“5th August, 1891.

“DEAR MR. ASHLEY,—It is to me, I assure you, a matter of deep regret not to be present at the meeting of the Salt Union shareholders to-morrow. I had some hope up to this morning of going to town this evening, but I do not feel equal to the journey, and I cannot disregard the strict injunctions of my medical adviser, who enjoins complete rest for at least some weeks. I am trying to make arrangements to leave for Wales on Saturday or Monday next. Whilst on the score of health, I do not feel justified in accepting the post of chairman, the great body of shareholders will, I am sure, give me credit for feeling materially interested in the future prosperity of the concern. I believe I am the largest shareholder, I hold 10,000 shares besides debenture, and I have never sold or bought a single share from the formation of the Union to the present time. I am, too, in other respects interested in the Salt Union, but, beyond any personal monetary matters, I hope I sincerely respect the interests of the shareholders as a body, and I am most anxious to the best of my strength and ability to continue to render them service by giving to the Board and Executive the benefit of my experience and advice. My taking the post of chairman must depend on my restoration to my usual health and strength. I am assured by my medical adviser, that with rest and care I may hope for a favourable result, and in that case if my taking the chairmanship for a limited period would tend to restore confidence and good management, I would, if well supported, entertain it; but the shareholders must be aware that their property is one of great magnitude, situated in several counties, and that its success does not depend on any one man, however able and zealous he may be. Unity of purpose and action is absolutely necessary to success on the parts of the directors and executive. In regard to the past, it may be well to let ‘by-gones’ be ‘by-gones.’ We are all liable to make mistakes. In regard to the future, notwithstanding competitors in the trade have increased, under the delusion of permanent large profits, I may assure the shareholders that they have a large and

valuable property, and one which gives them advantage over small manufacturers, and which, under prudent and good management, is still capable of paying fair dividends. I beg to express the hope that nothing will occur at the meeting to-morrow to lead to fresh complications. I am induced to hope that, before the end of the year, good organization and harmony will be established, and brighter prospects for the future; but the shareholders must be prepared to meet competition, any idea of the monopoly of the trade would be misleading. I am desirous of doing all in my power to assist the Board and Executive in the interest of the shareholders.

“ Believe me, faithfully yours,

“ (Signed) JOHN CORBETT.”

A LARGE SHAREHOLDER ON THE SITUATION : A RESOLUTION OF CONFIDENCE.

Mr. Charles A. McDowell : Mr. Chairman, in the absence of Mr. Corbett, who is the largest shareholder in this Company, I take the liberty of intruding myself upon this meeting. Next to Mr. Corbett, I hold the largest number of shares held by any individual. My holding at present is 4,420 ordinary shares, besides £50,000 worth of debentures, and my children hold £51,000 worth of debentures, besides a number of ordinary and preference shares. Since the formation of the Company I have purchased 1,100 shares. . . . I trust that in any remarks I may make here to-day, I may not be taken as animadverting upon the conduct of any individual director. The present position of our Company proves incontrovertibly that no amount of emolument will procure infallibility. We are all fallible, gentlemen : we all make mistakes. Our directors in the past have made mistakes, grievous mistakes; our directors in the future will be liable to make mistakes, but we hope they will endeavour to avoid them. I do not wish, by my remarks, for one moment to cause discord; on the contrary, I desire, if possible, to produce a harmony of feeling amongst the directors which will result in a better state of affairs and an enhancement of the value of our shares. The Chairman has very clearly and succinctly placed before you the present position of the Company. What has brought us to that position? You are very well aware of the cause. I cannot for one moment deny that I think our directors—those who have passed away from the Board and those who are on the Board now—made a very great mistake, when they saw the opposition cropping up all around them, in not making some effort to either snuff it out or conciliate it in some way, and put an end to it. . . . The prices at which they put salt up to were calculated to cause any man to bore every place he possibly could and seek for salt within the area where it was known to exist. Putting up the price for squares, which, when the Company was formed, stood at 8/- to 11/-, and in Liverpool putting them up to 35/-, I think was bad policy. I mention this incidentally as one of the instances in which I think our directors made a mistake. . . . I will now suggest a few of the remedies that present themselves to my mind. I do not claim the ability or the experience of some of your

directors, but I claim that for thirty-five years I have watched with some degree of intelligence the course of your trade, and I have watched with some interest, as you may judge by the holding I have in the Company, the course of events since the formation of the Company. I suggest as the first remedy to bring you to a better state of things here that the differences between Mr. Corbett and the Company be settled amicably, and that Mr. Corbett come back to the Board. I look upon that as a very important matter indeed. Time would not permit me to go into the details of the question, which is a very large one, and one that means a great deal to the Company.

THE CHESHIRE BOARD.

The second point I make is the total abolition of what is called the Cheshire Board. Now, I do not know whether I shall be in harmony with the bulk of the meeting on that point or not, but I have given it a good deal of consideration, and with the interest that I have at stake, my firm and honest opinion is that the abolition of the Cheshire Board is necessary for the well-being of the Salt Union. By the abolition of the Board you create a want, and I am glad to hear the Chairman state that he proposed to fill that blank by the appointment of a general manager, or by the appointment of an Executive Committee formed by some of the members of the Board, who would visit not only Cheshire, but the other districts, and decide questions of very great importance there. . . . In your management at present there are leaks all over, which aggregate a great deal. If they were not in existence to-day, your dividend would not be at the rate of 5 per cent., but 10 per cent. Do not hide it from yourselves. Your Board of Directors, individually and collectively, cannot gainsay what I put before you to-day. I tell you, as a practical man, that there are very great and important leaks in your system, that require immediate remedy, and unless they are remedied, things will go from bad to worse, and you will not see your 5 per cent. dividend. I should prefer myself to see a general manager appointed, rather than the Executive Committee mentioned by the Board; but they have given it more thought than I, and are possibly in a better position to judge of the relative merits of the two modes of government or organization. The third point I make is that amongst our other reorganizations, we want reorganization of the emoluments paid to the directors. I do not wish to suggest any cheese-paring policy, far from it, because good men are deserving of good pay, and if you have good servants they ought to be well requited; but I claim that salaries are being paid to directors here, and that by no possibility can they, however willing they may be, give value for the money that is paid to them. I impute to those gentlemen nothing dishonest, nothing dishonourable; I believe that they are honourable, straightforward and honest men, and I believe that they would willingly render services equivalent to the salaries they get if opportunities offered. But opportunities do not offer, and there is only one remedy. As you cannot make work for your directors, you must reduce their salary commensurate to the work done. The next point I make is, thorough reorganization of your officers at Winsford and at Liverpool.

I say, without fear of contradiction, that there is no office or officers in the kingdom that require revision more than they do. I do not care how able or how efficient the accountant-general may be ; I do not care what ability he may possess. If he does not get the materials to work with, and if you give him an inefficient staff, he cannot, except by performing a miracle, make it efficient. He cannot do it. Your staff, I say, and I say it advisedly, is inefficient, it wants reorganization both at Liverpool and at Winsford. . .

THE COVENANTS WITH DISTRIBUTORS.

The next point that I wish to make is one referred to by the chairman, and it is a very important one, too. At the time of the formation of the Company, in the anxiety to get the Company formed, arrangements were made with distributors of great variety, some of them very strange. The time is come when it is of importance that those distributors, if they are going to keep the goose that lays the golden eggs alive, modify their claims, modify their arrangements, not seek the pound of flesh, but enter into a fair and equitable contract with the Company, and get a fair remuneration for the work they do. There is a movement on foot having that in view, and I hope it will be successful. As far as I am concerned—I am not a distributor myself—I shall forward the matter in every way I possibly can. The last remark I have to make is that in every department a rigid economy ought to be pursued. When a Company like this comes down in two years from 10 per cent. to 5 per cent., it is time for you to begin to look after the pennies. When your Company started and you raised the price of salt from 3/- to 18/-, or 15/-, and from 8/- to 35/-, people came to the conclusion that you had got a gold mine, that you had got a bank at your back—all your employés came to the conclusion that it would be unnecessary to do so much, that everything would go on all right, and they did not exercise the rigid economy that the gentlemen I see before me did when they had the works themselves. I see gentlemen before me here, who, when they had the works themselves, would not permit the condition of things that now exists under any circumstances. I hold that as directors they ought to be as particular about the property of the shareholders as they would about their own. . . . I am with the present Board of Directors to-day, but I promise you, gentlemen, that on the next occasion, should the promises which they hold up not be fulfilled, should they be violated in any way, that I shall be found on the opposition side, and that, whether I am a large shareholder or a small shareholder, I shall raise my voice against the present existing state of things. I thank you very sincerely for having heard me so patiently, and I shall now take the liberty of moving : “ That this meeting, having heard the statement made by the Chairman of the policy of the directors, expresses its confidence in the same, and trusts they will immediately proceed to initiate and successfully administer the reforms referred to generally in the Chairman’s speech.”

A GLIMPSE AT THE BRIGHT SIDE.

Mr. David Chaplin : Mr. Chairman and gentlemen, I rise for the purpose of seconding the resolution that has been so ably moved by the last speaker.

There are many views enunciated by him with which I do not agree, but I think, at a meeting of this kind, a meeting of the shareholders where we are discussing matters affecting the market value of the shares of this Company, we should address ourselves to the shareholders' point of view. I think that the steps we should take should be steps not intended to depreciate and lower the property of the Salt Union, but steps that are well calculated to uphold it, and to put it before the public at its real estimated value. . . . The

MISCHIEF OF DIVIDED COUNCILS

is incalculable ; no great or even small trade can be carried on under divided councils. We know the proverb of a house divided against itself. Very well, now, these gentlemen, by withdrawing, have made it possible that peace and harmony in the directorate may again obtain. I think we should be in a very much worse position than we are to-day if we had both these jarring elements sitting on the directorate. If the views of the gentlemen who have retired were so diametrically opposed to the views of their fellows, it was the only thing that they could as honourable gentlemen do—to retire and allow the people who did not hold their views then and there have an opportunity of carrying out their views. So I, for one, think that we have not to deplore that we have got the means of restoring peace and harmony on the Board once again. The Board of Directors has been exceedingly numerous, and I think that if you close up your ranks now—if you can get Mr. Corbett to come in by all means let him come, because he is a man of very large experience, and he will be a tower of strength to the Union. But there are now very competent and able men left among the directors, and I would suggest that the proper thing to do is to close up your ranks and work well together, and then I think the Union will most assuredly flourish.

A CRITICISM.

Mr. Kean : I have listened to the remarks of the chairman and Mr. McDowell, and I think that Mr. McDowell missed in his speech some part of the mischief that we are labouring under at the present moment—that is, that we ought to have a board of directors who are accustomed and used to the salt trade. I further think that we ought to have a number of large shareholders on that Board. Nothing makes a man more economical than when he is the manager of his own money. I think the proper course to be adopted at the meeting to-day would be to elect a Committee to put before the shareholders at a meeting to be called, say a month hence, a number of directors to fill up the vacancies that have taken place on the Board. I feel certain myself that we should have a larger representation, and that we should have gentlemen on the Board with a larger interest in the Union than the present Board has. It is a startling thing when you find that the gentlemen who compose the directorate of the Salt Union, representing four millions of capital, are only holders of £33,540 of stock. How can we expect our property to be managed properly ? Can you name any other concern in this

country, where there are four millions of capital, and the Board of Management represents only £33,540? I say it is preposterous, and an outrage to the common sense of ordinary business men that we should be in the position we are. There is no doubt that we have got one of the finest properties in Great Britain, and there are no other salt manufacturers who could live amongst us if only the business was carried on properly. The works that have been started could not exist—there is not a shadow of doubt about it—if our business was well managed. The very best salt properties in the kingdom are doubtless in the hands of the Salt Union, and the only thing we want is that the business of the Union shall be put under good management, and then we shall have a very successful property. There is no doubt about that, and the majority of the shareholders believe it. I have looked carefully through the register, and I find that there has only been about £300,000 in stock changed hands since the meeting on the 8th of February. That shows that it is not the sale of stock which has brought the prices down, but it is the

PEOPLE WHO RIG THE MARKET

for the purpose of making money. It is not a question as to the interest of the shareholders, it is a question only of how they can serve themselves. Their interest is so small that it is not worth consideration. If you take the holdings of two of the gentlemen off the Board who represent £17,210, the others have practically only just the bare qualification. It is an outrage to the business capacity of Englishmen. But whatever may be the result, face it now ;

APPOINT A COMMITTEE.

Let that Committee come before the shareholders with gentlemen who are qualified by their holdings to be directors of the Salt Union, and then they will give that attention to the management that the Salt Union ought to have. Let us have a managing director, or a general manager, who is neither a member of a firm of distributors nor a distributor himself. Let us have the best gentleman for the Company who can be got, and I say stick to your shares. In two years, if the thing is only properly managed, and everything done that can be, these shares will not be worth £6, but they will be worth £16. It shows that when there has been only a little over £300,000 change hands since last February, with a drop from 10 to 5, that the shareholders yet have

CONFIDENCE IN THE THING.

It is simply nothing in the amount of the stock they hold. If some gentleman who knows them would nominate a Committee of ten or twelve to meet, and to meet the shareholders again in a month's time from now in Liverpool, there is no doubt the thing would go. Where the major part of our business is carried on we ought to have a proper staff of management, and everything else. How can we get to London, hundreds of miles away, to see how we are going on? There ought to be a managing director on the works to see everything going on, and he ought to be in touch day by day, and hour by

hour, with every transaction that takes place. It is utterly impossible for that to be done unless you are in the works actually, and I would move the office to Winsford, where we have our works. Where the works are there we ought to have a proper staff, and everything else.

THE GREAT QUESTION OF THE HOUR.

Mr. Brocklehurst : In continuation of the speeches already made, I may say that the great question before us to-day is the acceptance of Mr. Corbett. Mr. Corbett knows the history of the salt trade from the first. I think our directors are gentlemen without blame, and are very honourable gentlemen ; but I think many of them are gentlemen who know nothing about the salt trade. They are very good men of business, I daresay, but we want men thoroughly acquainted with all the details of the salt trade. I myself know nothing about it, but I am a considerable shareholder, and I feel an interest in it. At the same time what we want is not an *imperium in imperio*, we want an *imperium*, we want one at the head to direct everything, I do not hold with this proposition, that we are to have some directors in various parts of the salt districts. I think the proper way would be to have one man at the head, like Mr. Corbett, who would direct everything, and in support he ought to be able to appoint his own managers, and the Board of Directors might be divided into Committees to consider the various questions, but all to be under Mr. Corbett's direction. There is another gentleman, and that is Mr. Verdin. It is said that there is a jealousy existing between Mr. Corbett and Mr. Verdin, but I think they are too liberal-minded to risk the well-being of this Salt Union by continuing their personal enmities. I feel sure that Mr. Verdin is willing—in fact, I heard him say so the other day—to give the Union his best attention, to give the benefit of his advice and experience to any gentleman who will undertake the chairmanship, provided he knows what he is doing, and is able to carry out such plans as will be beneficial to the shareholders.

MR. W. H. VERDIN'S SPEECH.

Mr. W. H. Verdin : Before the resolution is put to the meeting I should like to say just one word or two. I am sure the gentlemen who have retired from the Board wish well to their late colleagues. They felt it was imperative upon them to retire, under the circumstances. Most of those present are aware—I am not going into details—that it was proposed to close certain works at Northwich, and transfer the trade elsewhere. We objected to that, not on local grounds, but because we considered that the permanent welfare of the trade was the first thing that should be considered, and after that the interest of the shareholders. Now, I had better explain what I mean by

THE PERMANENT WELFARE OF THE TRADE.

Unless Cheshire can maintain its quality, and the reputation it has for good quality throughout the world, it must necessarily lose certain markets. . . . I say that the salt which is produced at Northwich—certain qualities of salt

manufactured there will hold their own, and more than hold their own, in any market. So that I hold it was against our duty as directors that any interference should be allowed to take place with the works at Northwich. We all know that it was proposed that No. 7 and 8 divisions, which included Mr. McDowell's late works, should be closed, and I ask Mr. McDowell to say whether or not it would have been a benefit to the Salt Union that those works should be closed? Mr. McDowell agrees with me that it would not have been for the benefit of the Salt Union. But I ought to explain, in fairness to my old colleagues—and I should be sorry to say one word for which they would blame me—I challenge them to say whether or not the amendment was that the question of management of these works should be left to the Cheshire Committee or not. I am speaking now as to the particular act of closing a certain division at Northwich. The directors did not consider the Cheshire Committee were entitled to their confidence, and so we retired, but though we have retired from it, do not think that we are at all out of harmony with you in wishing every success to the Union. There is no doubt, if you will allow me to say it, that

THE DIRECTORS WHO RETIRED

had had a larger experience of the salt trade than anyone on the Board, and also probably than anyone in the trade. When I say larger experience I do not say longer experience, because there are some who can say that they have had more than twenty-five years' experience, as I can say, but then I had had to do with the largest concern in the trade, and necessarily my experience must be greater; but what I was going to say is this, that there is no doubt that in many ways we who live in the locality have a certain influence, and we shall be only too happy to assist the Salt Union to make a fair return to the shareholders. The chairman stated that it was proposed to declare an interim dividend of 5 per cent. I can only say, having certain figures in my mind, and knowing what has been done in Cheshire during the past half-year, I am considerably disappointed that other districts have not done better. I think if we could make different arrangements they might do better. I can only say at this meeting what I have said in the presence of my colleagues, that it is an absolute fact that in Cheshire we have been able to make salt more cheaply than in any other part of the country where the Salt Union has carried on its operations. The Cheshire management has been very severely criticized at the Board. I can only express my regret that during the whole of the time the Salt Union has been formed not one word of criticism has passed with reference to any other division. Now, I do insist that every director should most gratefully accept

FAIR CRITICISM;

but, as regards Cheshire, it has been unfair, and I have protested at the Board that our division has not had the benefit of fair criticism. Mr. McDowell made a charge—I hope it was made unadvisedly—that there were directors in front of him who had connived at leakages in the Company.

A CHALLENGE.

Now, I challenge Mr. McDowell, or any other man, to say that any of the Cheshire directors, and as far as I know any of my late colleagues, have ever connived at any leakage whatever. The Salt Union is an aggregation of a large number of concerns. I must confess before the Union was formed I thought salt would be made more economically than it had been ; but you must remember this, where one private firm is pitted against another firm, it is not only the heads of those firms competing with each other, but there is an *esprit de corps* amongst the employés themselves, which urges them to do something more for their own master probably than what somebody else's men are doing. But when you come to the question of forming all these concerns into one, such as the Salt Union is, then you lose some of that *esprit de corps*. Then there is another thing : the men thought no doubt that the shareholders of the Salt Union would obtain a liberal return. The men thought that they also ought to have a share in the good things, and not one of us complain of their looking at it in that light. They asked for an advance of wages, and it was given to them, and I say it was

WISE POLICY

to do so, because the salt trade is almost the only trade in the whole country that during the last few years has not been convulsed by strikes ; and I may say that there is a better feeling between the Company and its employés than in almost any other trade. Mr. Kean, I believe, is in the coal trade, and he will support me when I say during that time there has been a very large increase in the price of fuel. That has necessarily increased the cost of manufacture. But now I am pleased to tell you the price of fuel that we burn is very considerably lower than it was. At the present time the Salt Union is buying fuel at something like $1/3$ a ton less than the average price paid for it during last year. The Chairman said there has been an increase in the price of material. That is true, and the whole thing has consequently enhanced the price of salt, and correspondingly limited your profit. These circumstances have, no doubt, told against the Company, but looking at the reduced price of fuel, and all the other circumstances, I think we shall have a cheaper cost of production. No one was more pleased than I was to hear the letter read from Mr. Corbett ; no one will rejoice more than I do at

MR. CORBETT'S REJOINING THE BOARD.

I have never understood that it was in consequence of anything the Cheshire directors had done that Mr. Corbett left the Board. . . . The shareholders will not meet again for another six months, but I would give one word of warning, that there should be a clear understanding that terms should be made on which Mr. Corbett may join the Board. If the terms are satisfactory to the present directors, well and good ; if not, then of course Mr. Corbett's rejoining the Board will be of no benefit whatever. Just one word as to distributors. . . . There are a great number of shareholders who are of opinion that the distributive system is bad. I say it is a good one, but it

wants a little flexibility. You may have a strong arm, but you also require an elbow joint. The distributors receive $2\frac{1}{2}$ per cent. commission for selling salt, but they have to guarantee the value of the salt, on which only they receive a commission, and also the cost of carriage, and they have to find a banker to guarantee that they themselves are safe ; and I think the chairman would be able to inform you, if he liked, that during the last six months there has not been a penny of bad debt made through the distributors. I dare say there are some present who are brokers, and I do not think they would like to do their brokerage at less than $2\frac{1}{2}$ per cent. Besides that, there are other deductions which really bring the commission down to only 2 per cent. I should like to ask if I am to understand from Mr. McDowell that I was conniving at this leakage ?

Mr. McDowell : I never used the word " connivance " ; I said you were aware of the leakage.

Mr. Verdin : I hope Mr. McDowell will not consider me at all personal in what I am going to say—I have no desire to be—I have come here with the intention of intimating to you that it is my desire, and it is my brother's desire, to do everything we can for the Salt Union. But I may say this, that while other distributors are receiving $2\frac{1}{2}$ per cent., his late firm receives 5 per cent. for commission and 5 per cent. is paid for the guarantee of the money, so that they receive 10 per cent., as against the $2\frac{1}{2}$ per cent. to the other distributors. If he will meet the Company in a fair spirit the other distributors will do the same.

The Chairman : I now have to put the motion. The motion is, " That this meeting, having heard the statement made by the Chairman of the policy of the directors, expresses its confidence in the same, and trusts that they will immediately proceed to initiate and successfully administer the reforms referred to generally in the Chairman's speech."

A show of hands was then taken for and against the resolution, which was declared carried.

The Chairman : Well, now, we have already spent a good deal of time, but there are one or two things I want to say in reply to what has been said. The gist of what I want to say is that none of us covet the position we are in, and we are not anxious to cling to it. If, therefore, the shareholders want a new Board, let them call a meeting a fortnight hence, and appoint a new Board. . . . No man can do more than his best, and that is what we are determined to do. You must remember it is no easy thing to wipe up a mess, and I do not mind saying the mess is not all of our making. But we will do our best to wipe it up, and we will do our best to remedy the mistakes we have had a share in ; and I hope, as I have said before, by improvement of management, by examination of prices, and by revision of prices, there is a very good prospect for the Union yet. Therefore, I hope we may all work together. We shall be only too glad to have advice, and suggestions, and only too glad to do all we can in the way of economy.

EXPLANATION BY MR. JOHN CORBETT.

TO THE SHAREHOLDERS OF

THE SALT UNION, LIMITED.

LADIES AND GENTLEMEN,

I feel anxious to attend your General Meeting on the 23rd instant, but as I am only slowly recovering from a severe illness, it is somewhat doubtful if my medical adviser will allow me to attend a large, and perhaps exciting, assembly at present. In that case, as the affairs of the Salt Union have for some time formed a subject of controversy and dissatisfaction as to the administration of the concern, I cannot refrain from briefly addressing you on the subject of my connection with it—and, first, I would repeat—what I have previously written to the directors and to the Press—namely, that I did not seek the Salt Union: the Salt Union sought me. I repeatedly refused to join the concern, and stood out to the last, but by promises and assurances that my system, authority and management—which have been so eminently successful during the last forty years in making Stoke Works not only the most perfect of their kind in Europe, but, financially, the most prosperous—would not in Worcestershire be interfered with, I was most reluctantly induced to join the Union, the first Syndicate or Union I ever had anything to do with in my life. Before many weeks had elapsed, I found myself in conflict of opinion with my colleagues, and, later on, more so with the officers of the Union as to the administration of the Worcestershire Works. Some of the clauses in my deed of covenant have been repeatedly and persistently infringed, to the loss of many thousands to the shareholders. This was the case more or less during the years 1889 and 1890, and has been to the present time.

At the end of 1890 I felt myself impelled to tender my resignation as a director, and under these circumstances I think it only right that the shareholders should know something of the respective value and working results of Stoke Works, notwithstanding the covert opposition to my authority and management, as compared with other works purchased by the Salt Union. The purchase money for Stoke Works, and certain appurtenances thereto in Worcestershire, was £600,000, which included, for a term of years, if the deed of covenant was carried out in its entirety, the comparatively safe protection from competition afforded to the works, under certain stipulations, referring to my landed estate surrounding the salt works of Worcestershire, extending several miles, and valued at a sum nearly equal to the works. Besides, I have since the formation, and for the further protection of the Salt Union, expended from twenty to thirty thousand pounds in acquiring other landed property in and around Droitwich, which does not pay me 1 per cent. Notwithstanding the opposition to my authority and management already

referred to, the result has been for the three years ending December last as follows: the profits of Stoke Works only, available for the shareholders, have been upwards of £200,000, or $33\frac{1}{2}$ per cent. of the entire purchase money, or an average of more than 11 per cent. per annum for the three years ending December, 1891. Thus, whilst the active capital of the other works of the Salt Union in its entirety has only earned an average of 7 per cent., if it had earned in the same ratio as Stoke Works, the result would have been upwards of £130,000 more profit, equal to an *additional* $6\frac{1}{2}$ per cent. to the ordinary shareholders.

It has been said by your chairman that the high prices, against which I repeatedly protested, and which tempted and called into existence several competing works, enhanced the profits. *Prima facie* that so appears, but not in fact. The high prices, by diminishing your sales, shut up a large percentage of the best of the Worcestershire works at Stoke Prior, which for many years had been in active operation and which have remained entirely closed from the first few months of the establishment of the Union to this day. Had my advice been adopted, by charging moderate and fairly remunerative prices, these works would have been kept in full operation, and the profits, steadily maintained, would have been equal to, or in excess of, those which have accrued from the short-lived, extravagantly high prices, besides averting the competition, which has been so disastrous.

I may remind you that I am still by far the largest shareholder. I have 10,000 shares, besides debentures—together £125,000, which with the profits of £200,000 makes 55 per cent. of the entire purchase money of my works. I have never bought or sold a single share from the first month of the Union. I have no salary or other allowance, not even my travelling expenses, having, without prejudice, voluntarily waived the same in favour of the shareholders, besides—since the reduction in prices now reverted to—having, in order to get back the lost trade for the benefit of the shareholders, contributed without prejudice a considerable portion of my legitimate profits, intended to pay trade expenses, such as travellers, agents, &c., and which, unfortunately, in some cases—London in particular—has involved me in a loss.

There have doubtless been serious errors in the administration of your property, which may perhaps be ascribed to errors of judgment. In regard to your directors, I am in justice bound to say you have on your Board not only gentlemen of high social position, men of wealth and men of honour, but equally important would be the possession of a practical knowledge of the trade in all its bearings.

I now come to the main object of this communication. A general meeting of the shareholders is hardly the place to discuss dispassionately the best means of amending errors of the past and reorganizing a large and important concern. I therefore appeal to you to appoint a Committee, consisting of a limited number of large and independent shareholders, to confer and report upon the best means of reorganization. I assure you that, so far

as Worcestershire is concerned, such a step is imperative if the trade is to be made the most of for the shareholders. I shall be glad to render any aid in my power, and I court the most searching investigation into every act of mine connected with the Salt Union.

I am sincerely in sympathy with the shareholders, not only because I am the largest, but also because I feel for those comparatively small holders who can ill afford to lose any portion of their investment. Notwithstanding errors of the past the Salt Union may, under the management of zealous and practical men of business, continue to pay fairly good dividends. At my age I cannot be expected to do much more than advise, in giving the benefit of forty-eight years' experience, and that only for a limited period ; but if I can thereby benefit the general body of the shareholders, I am on their behalf further disposed to make any reasonable pecuniary sacrifice if they, or a Committee appointed by them, think my advice and aid worthy of their consideration.

I am, &c.,

JOHN CORBETT.

STOKE SALT WORKS,

WORCESTERSHIRE,

18th February, 1892.

THE SALT UNION'S REJOINDER.

SALTERS' HALL COURT,

LONDON, E.C.

20th February, 1892.

TO THE SHAREHOLDERS OF

THE SALT UNION, LIMITED.

LADIES AND GENTLEMEN,

With reference to the letter addressed to you by Mr. John Corbett, dated 18th inst., I will deal with it at the Ordinary General Meeting on Tuesday next, 23rd inst., and a printed report of the proceedings will be sent to you afterwards.

In the meantime I wish to say that the directors will cordially welcome the appointment of a Committee of large and independent shareholders, as suggested by Mr. Corbett, to "confer and report upon the best means of reorganization." But, in the opinion of the directors, the need for such reorganization exists only in the Worcestershire District—the only district in which the directors have been unable to effect any of the economies made possible by the formation of the Union. This inability is the result of the attitude of Mr. Corbett under his agreements and Deed of Covenant, which stipulate that he should be Deputy Chairman and Managing Director, or General Manager, of the Union in the Worcestershire District, and which give him complete control of the works which he has sold to the Union.

Mr. Corbett was Deputy Chairman and Managing Director of the Worcestershire District from the incorporation of the Union until the Ordinary General Meeting in February, 1891, and is now General Manager for that district, as well as sole Distributor of the salt made at the Stoke Prior and Droitwich Salt Works—a dual interest which has not operated to the advantage of the shareholders.

Most of Mr. Corbett's observations apply to a period when he was the Deputy Chairman of the Company.

The negotiations of the present directors with Mr. Corbett have been rendered abortive by the prohibitive terms asked by him for the surrender of his Distribution and Agency businesses.

Yours faithfully,

LIONEL ASHLEY,

Chairman.

REPORT FOR 1891.

Third Annual Report of the Directors for the year ended 31st December, 1891, to be presented at the Third Ordinary General Meeting at the City Terminus Hotel, Cannon Street, London, on the 23rd day of February, 1892.

BOARD OF DIRECTORS.

The Hon. LIONEL ASHLEY, London, *Chairman*.
 EDWARD SABINE BARING-GOULD, Esq., London.
 HERMAN JOHN FALK, Esq., Liverpool.
 PASCOE ST. LEGER GRENFELL, Esq., London.
 RICHARD GRIGG, Esq., Middlesbrough.
 The Hon. CHARLES WILLIAM MILLS, M.P., London.
 WALTER ROBINSON, Esq., London.
 ALFRED MORRISON TURNER, Esq., Liverpool.
 THOMAS WARD, Esq., Northwich, Cheshire.

Your directors beg to present the Third Annual Report for the year ended 31st December, 1891, with Statement of Accounts and Balance Sheet.

THE UNION SALT TRADE IN 1891.—The gross tonnage of salt delivered by the Union in 1891 was 1,472,000 tons, as compared with 1,629,000 tons delivered in 1890. A proportion of the decrease is due to the contraction of the general export trade of the country in 1891, and a further proportion to foreign competition.

As regards the inland trade, your directors determined, with a view of safe-guarding your permanent interests, to enter into the competition forced by salt manufacturers outside the Union, and have made such reductions in price during the last few months, and such arrangements for the future, as will, in the opinion of your directors, recover and retain this branch of the trade.

COST OF MANUFACTURE.—Considerable economy has been effected in the cost of manufacture by concentration at such works as would (all circumstances considered) permit of the salt being produced at the lowest cost. This matter is still receiving the constant and careful attention of your directors, and it is expected that the result of further economies will be realised during the present year. In view of the fact that the Union has a power of production very much larger than any probable demand, such of the works as are no longer fitted for the purposes for which they were originally intended, and could not, if renovated, be economically utilized, are being dismantled.

MAINTENANCE.—The salt works, pans and machinery in operation, steamers, barges, flats and canal boats, and the locomotives and other railway stock required for the Company's business have been maintained in good condition and repair.

BALANCE SHEET.—During the year the sum of £10,128 1s. 10d., expended on new works, has been charged to the General Capital Account.

The amount owing by the Union at December 31st last was £103,491 7s. 4d.; whilst the sum owing to the Union was £93,072 11s. 3d.; the consols certificates, cash at bankers on current and deposit accounts, and in hand, being £189,726 9s. 1d., and bills receivable £2,469 14s. 5d.

PROFIT AND LOSS ACCOUNT.—The amount standing to the credit of this account for the sale of salt, fuel and brine was £354,185 3s. 7d. To this has to be added the sum of £81,614 7s. 11d., representing the profits earned from carriage and other sources, making the total amount £435,799 11s. 6d.

After deducting the cost of Maintenance of Plant, Distributors' Commission, Agency, and other charges set forth in the Profit and Loss Account, the profits from all sources amount to

£243,911 0 5

To which should be added the amount brought forward

2,502 2 11

£246,413 3 4

From this sum must be deducted the Debenture Interest paid on July 1st, 1891, and 1st January, 1892

£45,000 0 0

And the Interim Dividends to 30th June last, at the rate of 7 per cent. per annum on the Preference Shares, and 5 per cent. per annum on the Ordinary Shares

85,000 0 0

130,000 0 0

Leaving .. £116,413 3 4

Your Directors recommend that Dividends for the half-year ended 31st December last, be paid on and after the 9th day of March, 1892, at the rate of 7 per cent. per annum on the Preference Shares, which will require ..

£35,000 0 0

And at the rate of 5 per cent. per annum on the Ordinary Shares, which will absorb

50,000 0 0

That there be placed to Reserve

27,500 0 0

And that there be carried forward

3,913 3 4

£116,413 3 4

RESERVE FUND.—Owing to the purchase of additional properties the subscribed capital of the Company left no margin for working capital. Under these circumstances the Reserve Fund had to be utilized in trading operations, but it will be seen on reference to the balance sheet that a considerable amount has been invested in approved securities.

DISTRIBUTION IN CHESHIRE AND WORCESTERSHIRE.—The distribution system originally adopted in the Cheshire and Worcestershire districts being found wanting in flexibility, and under present circumstances, preventing the Union taking full commercial advantage of varying markets, your directors, without waiving your right to trade direct in these districts, should they think it advantageous or expedient to do so, have made, and are making, such arrangements with various distributors as will place the Union in a much better trading position.

THE BRINE PUMPING (COMPENSATION FOR SUBSIDENCE) ACT, 1891.—The Public Bill which was introduced into Parliament last session by Mr. Brunner, M.P. (of Messrs. Brunner, Mond & Co., Limited), "to provide compensation for owners of property suffering through the subsidence of the ground caused by the pumping of brine," was, in accordance with your instructions, opposed by the Union before a Select Committee of the House of Commons. It was also opposed by Messrs. Brunner, Mond & Co., Limited, and other parties, and, although the Bill was not rejected, the insertion was obtained of clauses considerably modifying its original provisions. Under the Act as passed, the Local Government Board are to fix the Compensation Areas, and embody their recommendations in a Provisional Order to be submitted to Parliament for confirmation, so that parties, if aggrieved, will have an opportunity of being heard by a Parliamentary Committee before the Order becomes law. A Local Government Board Inquiry was held at Northwich on the 10th, 11th and 12th February instant, for considering the application of the Northwich and Winsford Property Owners as to fixing Compensation Areas in Cheshire.

THE BORING IN CHESHIRE.—The boring operations referred to in the last annual report have been continued to a depth of 2,610 feet. As the contract was for boring to a depth of 3,000 feet, if required, at a fixed price per foot, your directors have decided to allow the boring to proceed.

DIRECTORATE.—It will be observed in the notice convening the meeting that a resolution is to be submitted that the number of directors shall not exceed nine until otherwise determined by the shareholders in general meeting. The directors to retire at this meeting are Mr. A. M. Turner and Mr. Walter Robinson, who offer themselves for re-election. The Board has received notice of the intended nomination for directorships of Mr. Reuben Stubbs, of Fern Villa, Winsford, and Mr. Joseph Stubbs, of School Road, Winsford.

By order of the Board,

E. C. WICKES,

Secretary.

13th February, 1892.

THIRD ORDINARY GENERAL MEETING.

The Third Ordinary General Meeting of the Salt Union, Ltd., was held at Cannon Street Hotel, London, in February, 1892. The Hon. Lionel Ashley, Chairman of the Company, presided.

THE CHAIRMAN'S SPEECH.

The Chairman : Gentlemen, it will be within your recollection that at our last meeting in August the present Board came before you with a statement of policy which we proposed to carry out, and you will recollect it was a policy of reform, that had four heads—first, revision of prices ; secondly, increased economy ; thirdly, concentration of management ; fourthly, modification of distribution. Upon that occasion you were good enough to express confidence in us, and entrust us with the task of carrying out that reform. I think that the results of our work, as shown in our report and balance sheet, are decidedly satisfactory ; but I must point out, in justice to ourselves, that we have not had in fact five months to turn round in, and consequently many reforms and economies we have instituted have not come fully into play, and have not shown complete results. I may further point out that at the last meeting I warned you we might have to make serious reductions in prices. We have thought it advisable to make considerable reductions, and if you bear this in mind you will be able to judge what economies we must have effected in order to be able to show that profit. These economies, I wish to impress upon you, have not been obtained by not keeping our works, craft and rolling stock in the highest efficiency, but it has been done by concentration, by careful purchases of coal and material, and taking care that we get our money's worth.

THE LEGAL EXPENSES.

As regards the item of £1,838 12s. 1d. for Law and Parliamentary expenses, that is mostly composed of the cost of opposing the Compensation for Subsidence Bill. As you are aware, we have succeeded in obtaining some alterations in the Bill, which will make it bear less hardly upon the salt industry, and we have been acting also for your interests in the question of fixing compensation districts. This matter is under the present consideration of the Local Government Board.

As regards the system of distribution, which we undertook to attempt to modify, we placed before the Cheshire distributors collectively for their consideration four or five methods of arrangement by which we thought all difficulties might be surmounted. These proposals were not accepted collectively, but we have made individual arrangements with several, by which our interests have become identical.

The only remaining matter alluded to in the report is the directorate. We propose to submit a resolution that the number of directors should not exceed nine. That is the present number, and we have found it to work very well. I wish to give well-deserved praise to all the officers. At the head we have Mr. Wickes and Mr. Fells, who have done their best to do their duty to the shareholders, and to carry out fearlessly and impartially the instructions of the Board. Their interests, like ours, are to bind up and protect the Union, and I have no hesitation in saying that to Mr. Fells' organizing ability and unwearied zeal is due the present good condition of the Union's property.

The resolution was carried unanimously.

The Chairman : We directors take a perfectly independent view as regards this motion for a committee. We shall not oppose it, although we may have our own opinions as to its being undesirable. The resolution is : " That a committee of independent shareholders be appointed to investigate, confer and report as to the best means of organizing and administering the Salt Union."

The motion was put and negatived by an overwhelming majority, only five hands being held up in its favour.

REPORT FOR 1892.

Fourth Annual Report of the Directors for the year ended 31st December, 1892, to be presented at the Fourth Ordinary General Meeting at Winchester House, Old Broad Street, London, on the 24th day of February, 1893.

Your Directors beg to present the **FOURTH ANNUAL REPORT** for the year ended 31st December, 1892, with **STATEMENT OF ACCOUNTS and BALANCE SHEET.**

UNION SALT TRADE IN 1892.—The gross tonnage of salt delivered by the Union in 1892 was 1,354,000 tons. The Directors regret that the salt trade has not been exempt from the general trade depression of the country, tonnage as well as prices being adversely affected.

COST OF MANUFACTURE.—Further economies have been made in the cost of manufacture, and it is hoped that still more may be effected by steady reorganization.

DISTRIBUTION.—During the year considerable progress has been made in the Cheshire district in modifying the Distributor system, and rendering it applicable to the present condition of the industry. In the Worcestershire district no satisfactory settlement has been possible, and the Directors have been compelled to commence an action at law against Mr. Corbett in order to obtain recognition from him of the rights of the Company in that district.

MAINTENANCE.—The salt mines, works, pans and machinery in operation, steamers, barges, flats and canal boats, and the locomotives and other railway stock required for the Company's business, have been maintained in good condition and repair.

BALANCE SHEET.—During the year the sum of £2,633 8s. 7d., expended on new works, has been charged to the general capital account.

The amount owing by the Union at December 31st last was £98,236 16s. 8d., whilst the sum owing to the Union was £147,164 8s. 7d.; the cash at bankers on current and deposit accounts, and in hand, being £71,040 8s. 10d.; and bills receivable £16,864 8s. 11d.

PROFIT AND LOSS ACCOUNT.—The amount standing to the credit of this account for the sale of salt and brine was £290,351 8s. 6d. To this has to be added the sum of £94,422 11s. 10d., representing the profits earned from carriage and other sources, making the total amount .. £384,774 0 4.

After deducting the cost of maintenance of plant, distributors' commission, agency, and other charges set forth in the Profit and Loss Account, the profits from all sources amount to £215,919 6 3.

To which should be added the amount brought forward 3,913 3 4

£219,832 9 7

	Total Profit ..	£219,832 9 7
From this sum must be deducted the Debenture Stock Interest paid on July 1st, 1892, and 1st January, 1893 ..	£45,000 0 0	
And the Interim Dividends to 30th June last, at the rate of 7 per cent. per annum on the Preference Shares, and 5 per cent. per annum on the Ordinary Shares	85,000 0 0	
	<hr/>	£130,000 0 0
	Leaving ..	£89,832 9 7
Your Directors recommend that Dividends for the half year ended 31st December last be paid on and after the 14th day of March, 1893, at the rate of 7 per cent. per annum on the Preference Shares, which will require ..	£35,000 0 0	
And at the rate of 5 per cent. per annum on the Ordinary Shares, which will absorb	50,000 0 0	
That the amount spent on boring in Cheshire be written off	2,015 12 8	
And that there be carried forward	2,816 16 11	
	<hr/>	£89,832 9 7

RESERVE FUND.—It will be observed, on reference to the Balance Sheet, that the amount invested in securities has been increased to £60,332 18s. 11d. out of the total Reserve Fund of £117,500.

BRINE PUMPING (COMPENSATION FOR SUBSIDENCE) ACT, 1891.—As a result of the Local Government Board enquiry, held at Northwich on the 10th, 11th and 12th February, 1892, the Local Government Board introduced into the House of Commons last session a Provisional Order Confirmation Bill, by which Northwich and Winsford were to be joined in one area, under a Compensation Board. Compensation Boards for the other Cheshire salt districts were not formed. In conjunction with the Local Board and property owners of Winsford, your directors determined to oppose the Bill in question before the Parliamentary Committee, on the ground that its main provisions were contrary to the evidence given before the Local Government Board Inspector. The Bill would have rendered brine pumpers in Winsford, where much salt is made, liable to pay for the subsidence in Northwich, where, as compared with Winsford, the salt trade is small, but pumping for the manufacture of chemicals is extensive. Owing to the General Election the Bill was suspended, but it has been reintroduced during the present session.

THE BORING IN CHESHIRE.—The boring which was commenced in June, 1890, has not led to any satisfactory results, and the cost has been charged in the Balance Appropriation Account for the year 1892.

By Order of the Board,

16th February, 1893.

E. C. WICKES, *Secretary*

FOURTH ORDINARY GENERAL MEETING.

The Fourth Ordinary General Meeting of shareholders in the Salt Union, Limited, was held at Winchester House, Old Broad Street, London, on February 24th, 1893. There was a large attendance of shareholders. The Hon. Lionel Ashley, Chairman of the Company, presided.

THE CHAIRMAN'S ADDRESS.

The Chairman : We meet as you know at this time once a year, for us to give you an account of what work has been done during the past year, and I may begin by telling you frankly that the last year's working has, undoubtedly, been disappointing to us. You can see by the report that the gross tonnage of salt sold is 1,354,000 tons, compared with 1,472,000 tons sold in 1891, and the natural result in consequence has been that our profit has diminished. At the same time, I must tell you that the Board are as confident as ever that we are

PURSUING A RIGHT POLICY,

the only policy that gives promise of success. And though that final success may possibly be long tarried through great depressions in trade, through competition, or through internal difficulties such as we have had from distributors or the strike of our workmen, yet we are still confident that the Union will eventually be established on an unassailable basis. Our reasons for this confidence, as we have pointed out at former meetings, have been that we have such vast natural resources in Cheshire and in Worcestershire, that we have an unlimited supply of the strongest brine, that we have cheap fuel and easy access to ports ; therefore, when we shall have all the profits of distribution as well as of manufacture in our hands, we must be able to sell better salt than our competitors at a price that will overcome competition and yet will give us a reasonable return. Our policy has been and will be to develop our trade and to increase its volume by selling at low but remunerative prices, and though our efforts this year have only been partially successful, owing to special causes, I shall later on point out to you large markets where we have considerably increased our trade even in this year, and I think that in that way the outlook is decidedly promising. Certainly we have had great difficulties to overcome during the past year. First and foremost has been

THE GENERAL TRADE DEPRESSION.

Everyone engaged in business is aware that trade this year has been universally bad—railway and other companies have had to pay smaller dividends. The depression of the shipping trade has specially affected us. As you know, a brisk shipping trade means a brisk salt trade. Freights have been so low that it has paid shipowners to keep their ships tied up rather than take those low freights. Our trade, which is so largely a ballast trade, has been affected by this tying up of so much shipping. At this moment there are no less than 850,000 tons of shipping tied up in this country, and to this large total must be added the large quantity of tonnage of English

ships tied up in foreign ports. We have further had to overcome keen competition at home and abroad. In the earlier part of last year some extension of works was made by some of our

COMPETITORS IN THE INLAND TRADE,

who did not then realize what they now realize, that the salt industry is a very over-built industry, and the power of production of the Salt Union alone is in excess of any probable demand. These competitors, finding that we by our revisions in prices have recovered a large proportion of the inland trade, approached us with a view of arranging prices and limiting production in recognition of the over-built condition of the industry. We worked with them for some weeks at an agreed scale of moderate prices, but as they would not consent to combine these moderate prices with limited production we left them, and are now working independently. We are willing when they can agree amongst themselves to entertain an arrangement which shall combine moderate prices with limited production. Meanwhile we intend to continue to advance in the inland market, where we have increased our trade by 25 per cent. compared with 1891. Our progress in this direction has been much facilitated by partial modification in our distribution system, and by bringing ourselves into more direct touch with the buyers. As to competition in

THE EAST INDIES,

we thought it prudent in the early part of last year to make a substantial reduction in prices. This we did in order to meet the attacks of German rock salt upon our Indian market, and in conformity with what we announced to you at our last meeting we determined to maintain and increase the amount of tonnage sold. The result is that we have brought into the market many thousand tons more than in 1891, and the import of German salt has diminished by over 50 per cent. We have devoted, and are devoting, most careful attention to this branch of our business with a view to securing fair returns without increased cost of salt to the consumer.

OTHER MARKETS.

To the United States we have considerably increased the tonnage of salt sold of the finer grades. To Australia there has been a decrease in tonnage, due in a large measure doubtless to the fact that some of the Australian Governments, whilst imposing a duty on English salt, admit salt exported from some other countries duty free. It is a subject on which we are making representations to the governmental departments concerned, and we hope to see an improved state of things in this market. To Newfoundland, Prince Edward Island, Vancouver, and West Indies there have also been increased exports this year. Broadly and generally I may say that the export trade is receiving constant and careful attention. We fully recognise that the future welfare of this Company rests not upon high prices, but on the maintenance and development of trade. We not only aim to maintain and recover such trade as has been lost, but to leave no stone unturned to extend it. It may

be difficult to open up absolutely fresh markets, but we are working in that direction. . . . The third and last class of difficulty we have had to face has been internal, and shareholders who know the full facts of the case will, I think, agree with me that

THE STRIKE OF WATERMEN

which we had in August last was one of the most unnecessary strikes that has taken place in recent years. . . . It is not possible to estimate exactly the cost of such a contest, but I do not hesitate to say, if you take into consideration the orders we were not able to execute and to undertake, that our loss amounted to many thousands. To pass to another question, you will have seen that

CLAIMS IN COURTS OF LAW

have been raised against us by the Delamere Trustees and by the Messrs. Deakin Brothers. These actions are *sub judice*, and therefore there is not much to be said about them, except that the directors feel no alarm as to these demands, as they are confident of the justice of their case. Similarly, our

ACTION AGAINST MR. CORBETT

is now before the court, and I think I had better make no comment upon the difficulties imposed upon us in connection with the manufacture and distribution in Worcestershire; I may, however, mention that since the last meeting Mr. Corbett made us another offer for the sale of his distribution business, but the terms of that offer were more astounding than the former ones, which we found it absolutely necessary to reject, so that we had no alternative but to proceed with our action. I am glad to say that since the commencement of the action Mr. Corbett has relieved himself of one of the difficulties of the position by resigning the general managership of the Worcestershire District. The Union now distributes about 60 per cent. of the total tonnage sold in all districts, and the directors hope to extend this direct trade still more in the future, for they are satisfied, as I said just now, that under the pressure of competition it is better to have direct communication with the customers. . . . In

THE BALANCE SHEET

I may point out that we have only spent £2,633 in new works, and that the whole of this expenditure will increase our sources of revenue. The cost of boring, you will observe, we propose to write off the Balance Appropriation Account. I think that we were perfectly justified in making this experiment, having regard to the usual experience in other countries where either coal or natural gas or petroleum has been found under or in the neighbourhood of salt beds, but I can only regret that in our case the boring produced no result. I may point out that this year, 1893, is the last in which we shall have to write off that amount of £12,546 for charges in connection with the purchase of properties. As to the item of steamers and craft, we have continued to pursue the policy of realizing the value of such craft as is no longer

suitable for our requirements. This explains the decrease of £7,000 in the value of steamers and barges. There is an amount of £1,400 on rolling stock which has been written off. I will come later on to the question of depreciation. The amount of Sundry Debtors and Bills receivable have been increased in consequence of our new departure in the distribution system. Whilst we realise the benefit of the $2\frac{1}{2}$ per cent. which is allowed to our distribution branches, we must necessarily give a somewhat larger credit than when we were paying to the distributors $2\frac{1}{2}$ per cent. for payment on the 10th of the month following delivery. As to the investments, you will observe that we have increased them from £47,500 to £60,332. I think you will agree with me that the securities are what are called in the slang of the Stock Exchange of the "gilt-edged" order. In the balance sheet they are taken at cost, but since their purchase they have increased in value. The remainder of the reserve fund, as we pointed out at a former meeting, is utilized as our working capital. In

THE PROFIT AND LOSS ACCOUNT

we have spent in maintenance of plant £48,410. During the four years of the Company's existence we have spent altogether £240,000 in maintenance, which is, I think, a guarantee that the property of the Company is kept up to the mark; and it is owing to the heavy expenditure of past years that we are now able to make salt at a lower cost than heretofore. I may mention that we have reduced the cost of manufacture of salt in 1892 as compared with 1891 by 16 per cent. This comes on the top of a considerable reduction in 1891. Of this 16 per cent. 12 per cent. is due to cheaper fuel and 4 per cent. to economies which we have effected. We believe from the purchases of fuel that we have already made that our fuel cost will be even less this year, and that by steady reorganization we may be able to effect still further economies. Our working plant, shipping and rolling stock are all in good condition. As regards the barges, shipping, and rolling stock, we have in previous years written off £11,000 for depreciation on these two accounts, and there is an item of £1,400 this year. I may point out further that since the Union was formed (that is four years) we have spent £54,622 in improving and repairing our craft, and during the same period we have spent £72,013 on wagon and van repairs, so that on our craft and rolling stock, the cost of which to us was £315,318, we have during the four years spent £126,735—that is to say about 40 per cent. of the original cost. Our working plant, shipping and rolling stock are all in good condition. As regards rolling stock we have, I may say, a first-rate staff of inspectors in the shape of railway companies, because they are very stringent in their regulations and do not allow waggons to be used not up to their standard. A portion of the next item, £5,025, written off stores and material, represents a sum written off the value of certain stock contracts that were handed to us by some of the vendors, and this is the last time in which that portion will appear: it has now all been written off. A comparison of the remaining items on the debtor side of the profit and loss account with that of the previous year would, we

think, convince all of you that this account is carefully looked into, and considerable economies have been effected. . . . On the credit side of the profit and loss account you will see that the profit on salt and brine sales shows a great decrease upon the figures of previous years. Our profit as carriers we have been able by economies and effective management to considerably increase, and this is a source of gratification to us, that in spite of a decrease in trade our improvement in profits under this head has been continuous. . . . I will simply close by saying that I have been careful to make no rosy or sanguine forecast of the future, in fact, perhaps, rather the other way, but at the same time I may say that both I and my co-directors

LOOK FORWARD WITH CONFIDENCE:

to the future. There are some things that even a Board of Directors cannot control, and amongst them the ups and downs of trade. All I can say is that your Board and your staff are of one mind in doing all that is possible for the welfare of the Company.

Mr. Jeffreys: May I ask what is the meaning of the retaining fees, mentioned a little lower down, £9,000. Is that retaining fees paid to the directorate?

The Chairman: No. Those are retaining fees to owners of properties to prevent them allowing the property to fall into the hands of competitors.

Mr. C. McDowell: Permit me to make a few remarks on the report in my hands and the speech which our chairman has just made. Regarding the economies that you have mentioned, Mr. Chairman, I can only say that I have listened with very great pleasure to your very lucid speech on the subject. In 1891, at our meeting two years ago, it was suggested to Lord Thurlow, the then chairman, that some economies might be practised. His reply was, "I do not think I can hold out any prospect of future economies." On a subsequent occasion, at our meeting, I suggested that very large economies might be made. It will be in the recollection of many present here that I spoke very freely and fairly on the subject then. Our then directors—the present directors, to speak more correctly—agreed with me that there were possible economies, and that they ought to be practised, and they took the matter in hand, with the result that you have heard to-day. . . . But, sir, whilst those economies have been produced, I hold that the same results might have been produced much more expeditiously, much more cheaply, and yet quite as efficiently, by a general manager. My objection to an Executive Committee, as I have told our chairman, is that it is slow to act, expensive to move, and that you do not get the same result from its economies that you would get from the economies practised by one man. Besides, there is another matter. In forming an Executive Committee, you abstract the directors and the officers connected with the Committee, you take them away from their legitimate work, and whilst they are in one part of the country attending to the duties imposed upon them as Executive Committeemen, they are away from other duties which they might be well performing for the benefit of the shareholders. Therefore, I hope, Mr.

Chairman, that you will proceed at the earliest date to elect a general manager. I regret exceedingly that the circumstances of the case did not permit of our directors putting a large sum to the reserve fund. Under the circumstances it was impossible. I hope at our next meeting, having reduced expenses considerably during the present year, having had certain payments done away with which had to be made in the current year, the directors may be able to put a substantial amount to the reserve, and I hope further, as an ordinary shareholder, that, no matter what your success may be in the coming year, Mr. Chairman, or in future years, until you have made a very large reserve fund your Board will not make the mistake which they did on former occasions of paying too large a dividend. I hope you will stick to the 5 per cent. dividend, no matter what your earnings are, until you make a large reserve.

Mr. E. P. Williams : The cry among the shareholders generally seems to be the cry of economy. I do not wish to push that question too far ; but, looking at the balance sheet, I notice that in the last year the directors have invested from the reserve fund a sum of £35,000 or thereabouts. That £35,000 is invested to bring 3 per cent. It seems to me that if that money had been invested in your own debenture stock, which would bring in $4\frac{1}{2}$ per cent., the shareholders would benefit to the tune of about £700 more than they do now. . . . I may say that I am not merely speaking for myself, as I have some claim to speak for some of my friends. I come from the very centre of the salt field in Cheshire. You, sir, satisfied me yesterday as to some questions I thought of putting, so I will not trouble you with them to-day, but I demur to some of the remarks which were made as to the serious strike which we had last year, and which may occur again in the near future if tact and good feeling are not maintained between the officials of the Salt Union and the representative committee of the men. Everyone who comes from Cheshire knows that this Union is served by the very flower of the working men ; and I think it is rather hard lines that these men are to suffer because their late secretary unfortunately got across with one or two officials of the Union. I think those who are conversant with the whole history of last year and with the feeling still in vogue will know that after all two or three persons might have stayed the whole thing, and as you, sir, have pointed out, thousands of pounds would possibly have been saved to the shareholders. I sincerely trust that the year 1893 will be one of continued success, and that we shall not have feelings strained as we have had them during 1892. I rose for the purpose of asking the question with regard to these investments ; at the same time, knowing the history of the strike from beginning to end (I had an interview with one of your directors at the time with regard to it), I must demur to the remark which has been made. I think if you had been a resident in Cheshire and it had been possible for you to come and meet the working men yourself, the strike itself might have been averted.

Dr. McDougall : What was the cost of the picnic between Liverpool and Winsford ? I object to the picnic expense. I have been looking over the articles of association, and I cannot find anything there that would entitle

you to charge for it. I should also like to ask you whether you have a working agreement with the United Alkali people at the present time ; also, whether you would mind telling us who are the salt distributors with whom you have made agreements, and whether any of those with whom you have made agreements have adopted a colourable method of evading them ?

The Chairman : Perhaps I had better answer Dr. McDougall's questions first. With regard to the cost of the picnic to Winsford, it strikes me that there are occasions when a great Company like this does positively derive advantage and profit by going to a small expense in order to bring around them a large number of their influential customers, taking them to Winsford and showing them how large their works are, and generally acting the part of hosts. It is a thing that is constantly done. . . .

I think we were perfectly justified, and that it had a good effect. It brought a number of our customers together, many of whom had never seen our works at Winsford, and had no idea how extensive they were. It generally promoted good feeling, and I trust that it will result in good business in the future. As regards the working agreement with the United Alkali, I think those questions are rather verging upon those which we have a right not to answer, but I do not mind saying that we have made some chemical arrangements. I think, however, it is better, in the present state of the trade, not to say how much we have done or what we have done. Then as regards distributors' working agreements, I do not quite see how I can answer that. I do not know what Dr. McDougall hints at ; it is a very vague question as to whether any distributors have kept their agreement or not. . . . With regard to what Mr. McDowell said about the general manager, you know opinions vary very much as to the desirability of one form of government and another. I think there is a great deal to be said for what Mr. McDowell maintained in favour of a general manager, which is very important and very valuable, but at the same time I wish, with all deference to him and with all deference to you, to point out that you have delegated to us the powers of management. If you have confidence in us you must leave us to decide when we think it is the right moment to alter the form of government. And the same principle that would prevent Mr. McDowell from suggesting the name of a manager I think we are justified in saying would also apply in this case. We, as directors, must exercise our own judgment as to the time of altering the form of government or as to whether it shall be changed at all. If you have confidence in us you will keep us ; if you have not, then you must get rid of us ; only that is one of those things which peculiarly comes under the province of the Board—that they should decide for themselves the time for making any alterations in the form of government. . . . I may just mention as a proof of our desire for economy that this room which you meet in to-day, only costs £5 5s., and the room we used to have in Cannon Street Hotel cost £12 12s.—so that the Board have already saved £7 7s. to-day for you. . . I may also point out that every time we absorb a distributor we reduce our difficulties, and I hope the time may come when we shall not have these terrible covenants and engagements all

around us. I agree with what Mr. McDowell said about the importance of having a large reserve fund. This year there was a question whether we should pay this dividend or put it all to reserve. Speaking for myself, I thought that under the circumstances, having had this strike, and having had exceptionally bad trade, and taking into consideration the fact that we had declared an interim dividend of 5 per cent. in the middle of the year, that would rather lead our shareholders to think that they should have 5 per cent. at the end of the year—under those circumstances we thought it better to make it 5 per cent. this year. I am perfectly certain that everyone on the Board desires and is anxious to strengthen the position of the Company, and there is no danger of our being led away to the course of paying large dividends and not building up the reserve of the Company. . . .

ELECTION OF DIRECTORS: AN AMENDMENT.

The Chairman: I next move "That Mr. Edward Sabine Baring-Gould and Mr. Pascoe St. Leger Grenfell be hereby re-elected directors of the Company."

Dr. McDougall: Perhaps, sir, you will be kind enough to put the names separately.

The Chairman: Yes, I will do so; I will move "That Mr. E. S. Baring-Gould be hereby re-elected a director of this Company."

Mr. John Falk: I second that.

Dr. McDougall: I move as an amendment "That Mr. John Brundit, of the Highlands, Runcorn, be elected as a director in the place of Mr. Baring-Gould." The Cheshire shareholders have had some reason to complain of the want of attention they have received on several occasions from the directorate, especially the London directorate. The election of a Cheshire man who is thoroughly conversant and in touch with the district, and a practical business man, in place of Mr. Gould would, I believe, strengthen this Board very considerably. If you go back on the history of this Company for the last four years you will remember that the prospectus was issued with a considerable flourish of trumpets, and you and other of your directors at present on the Board were signatories to that prospectus. You promised the shareholders that they were to receive something like 18 per cent., but the result has been that we have had a sliding scale since the first year. You committed the initial mistake of permitting a 10 per cent. dividend to be paid to vendors who had sold works and already received a large amount of money for them. The market was sweetened for their benefit, with the sad result that the ordinary shares have gone down something like 55 per cent. I think the time has come when the shareholders should be represented. Up to the present time the directorate has been practically a directors' and not a shareholders' directorate. There are two directors, or rather one, only who represents shareholders at the present moment, and that is Mr. Ward. He was put on the directorate by a meeting of the shareholders some two years ago. Mr. McDowell is thoroughly conversant with this fact. I think we ought to have another director from that part of the country, to see if it is

possible to restore more confidence in the ordinary shares of the Company. You may go to Liverpool and ask any broker on the Stock Exchange how he can account for the fall in the price of these shares, and he will tell you that the Stock Exchange and other persons have no confidence whatever in the directorate or management of this concern. I say they will actually tell you so. If you want to sell a dozen or twenty shares, it will have the effect of sending down the market something like a quarter. I myself have been a victim of it, and I therefore know something about it. I think the time has come when we ought to have some man on the Board to restore confidence. Mr. Brundit is at the head of a large industry, and has been brought up with a practical acquaintance with the management of works and workmen, and I therefore think he would be eminently the man to be elected upon the directorate. I believe he originally had some shares in this concern that were allotted to him, and he has not from the time of his connection with this Company to the present sold a single share. I think we should have in that part of the country some person on whom we can rely and in whom we have some confidence. I think the time has come when we ought to have a new director. We want some new blood infused into what I consider a moribund Board. I do not consider this as a Board which is alive to the interest of the shareholders. We want a strong Board. I have already said that you may appeal to almost any business men, and they will tell you that the Salt Union is badly managed. Perhaps I may be permitted to say that the United Alkali Company have one of the finest and strongest Boards in the United Kingdom, and their policy has not been a policy of paying large dividends, but—

A Shareholder : I rise to a point of order.

Dr. McDougall : I was drawing a comparison. I want to keep to the point. The United Alkali Company will carry £370,000 to their next account, and that has been made from chemicals, and part of it from salt.

Mr. James Handley : I know Mr. Brundit very well, and I can endorse all that Dr. McDougall has said as to his fitness to be a director of this Company or of any other Company in that neighbourhood. He has a large experience, he is a thoroughly practical man, and he has a large interest in that part of the country. I therefore beg to second the amendment.

Mr. Pretty : I will not detain you long, for I think the sooner we arrive at an expression of the opinion of the assembly on this point, the better perhaps. I fancy we are almost unanimous. There is only one point I wish to take up Dr. Dougall upon. I have not the pleasure of knowing Mr. Brundit or Mr. Baring-Gould, and therefore I cannot speak as to the respective merits of either gentleman. But I must entirely traverse the statement that he made that the shareholders have not got confidence in the Board.

Dr. McDougall : You are a distributor.

Mr. Pretty : I speak as a distributor and as a shareholder who has not on every occasion been able to agree with the policy of the Board, I regret

to say. I believe that our affairs are governed by a body of gentlemen who are completely wrapped up in the success of our Company, and that any representations that are made (as has been proved by the way in which Dr. McDougall has been treated) have always been received very thoughtfully, with the most courteous attention and the most intelligent examination.

Mr. Williams : I will not keep the meeting more than one moment, and I rise only to support most heartily the election of Mr. Baring-Gould as a director of this Company. I come from the centre of the salt fields in Cheshire, and I may say that there we have absolute confidence in the Board of directors, and we feel in Cheshire that we have a great deal to be grateful for to the London directors for sticking to their guns and piloting the Salt Union as they have done. I should be glad to see a Cheshire man on our Board, or anybody else, but not at the expense of putting one of the directors off. I do not think that Dr. McDougall is a man just now to offer any advice to us, and I am not quite sure that in the past he has been a very safe guide to follow for any shareholder of the Salt Union.

Mr. Pretty : I have omitted to say one thing. I think continuity is so absolutely essential that it is highly desirable that Mr. Baring-Gould should be re-elected, and that nobody else should be put in his place who would have everything to learn.

The Chairman : I will now put Dr. McDougall's amendment, "That Mr. John Brundit, of the Highlands, Runcorn, merchant, be elected director in the place of Edward Sabine Baring-Gould, Esq."

The amendment was then put and lost, only four voting in its favour.

The Chairman : I will now put the original motion, "That Mr. Baring-Gould be re-elected a director of the Company."

The motion was put and agreed to.

The Chairman : I will now move "That Mr. Pasco St. Leger Grenfell be hereby re-elected a director of the Company."

Mr. H. H. M. Smith seconded the resolution, which was agreed to.

THANKS TO THE CHAIRMAN.

Dr. McDougall : I shall now move that a most cordial vote of thanks be given to the Hon. Lionel Ashley for his conduct in the chair. I would like to say one word with regard to the chemical trade. We have an opportunity now of getting good works at Weston Point, close to the Manchester Ship Canal. It will be completed in eighteen months, and there will be five feet of water at their back door. If we took it, we should be in the position of having valuable works which would return us good profits, and perhaps as profitable as Messrs. Brunner, Mond's Alkali Works at Northwich, which are paying 50 per cent. to their shareholders, and an admirable bonus by way of accrued shares. I think there is something in these works, and those who live in the district know something of them. I am glad that the Chairman has said something about it, and if you come to Weston Point and that immediate neighbourhood we shall have a pilot who will show us what chemicals can and may and would do for the Salt Union.

REPORT FOR 1893.

Fifth Annual Report of the Directors for the year ended 31st December, 1893, to be presented at the Fifth Ordinary General Meeting at Winchester House, Old Broad Street, London, on the 27th day of February, 1894.

Your directors beg to present the Fifth Annual Report for the year ended 31st December, 1893, with Statement of Accounts and Balance Sheet.

UNION SALT TRADE IN 1893.—The gross tonnage of salt delivered by the Union in 1893 was 1,240,000 tons. The strike of the coal miners, lasting sixteen weeks, considerably curtailed the demand for salt for manufacturing purposes, and accentuated the trade depression in the United Kingdom. The commercial depression in other countries has also adversely affected the shipping trade of this country, and thereby diminished the quantity of salt required for shipment.

COST OF MANUFACTURE.—During the year there has been further concentration in manufacture at the works of the Company, and the attention of the directors is given to any new processes or methods which tend to still further cheapen production.

SALT DISTRIBUTION.—The arrangements made in previous years for merging distributor interests in the Cheshire District in those of the Union, having facilitated the Company's operations, further progress in the same direction has been made during the past year. In the Worcestershire District, however, no progress can be made pending the hearing of the action against Mr. Corbett, which has been fixed for the 6th proximo.

MAINTENANCE OF PLANT.—The salt mines, works, pans and machinery in operation, steamers, barges, flats and canal boats, and the locomotives and other railway stock required for the Company's business, have been maintained in good condition and repair.

BALANCE SHEET.—During the year the sum of £4,054 16s. 7d., expended on new works, has been charged to the general capital account.

The amount owing by the Union at December 31st last was £113,016 3s. 4d., and to the Union £170,005 19s. 9d.; the cash at bankers on current and deposit accounts and in hand, was £92,829 11s. 10d.; and bills receivable were £15,460 8s. 10d.

PROFIT AND LOSS ACCOUNT.—The amount standing to the credit of this account for the sale of salt and brine was £256,292 10s. To this has to be added the sum of £78,416 14s. 10d., representing the profits earned from carriage and other sources, making the total amount .. £334,709 4 10

After deducting the cost of maintenance of plant, distributors' commission, agency, and other charges set forth in the Profit and Loss Account, the profits from all sources amount to £176,859 15 0

Add the amount brought forward 2,816 16 11

£179,676 11 11

	Total Profit ..	£179,676 11 11
From this sum deduct the Debenture Stock interest paid on 1st July, 1893, and 1st January, 1894	£45,000 0 0	
And the interim dividend to 30th June last, at the rate of 7 per cent. per annum on the Preference Shares ..	35,000 0 0	
	<hr/>	80,000 0 0
	Leaving ..	£99,676 11 11
Your directors recommend that dividends for the half-year ended 31st December last be paid on and after the 16th day of March, 1894, at the rate of 7 per cent. per annum on the Preference Shares, which will require ..	£35,000 0 0	
And at the rate of 3 per cent. for the year on the Ordinary Shares, which will absorb	60,000 0 0	
And that there be carried forward	4,676 11 11	
	<hr/>	£99,676 11 11

RESERVE FUND.—Of the Reserve Fund of £117,500 it will be observed, on reference to the balance sheet, that the amount invested in securities has been further increased to £71,140 7s. 1d.

BRINE PUMPING (COMPENSATION FOR SUBSIDENCE) ACT, 1891.—In conjunction with the Local Board and property owners at Winsford, your directors opposed the Provisional Order Confirmation Bill, by which Northwich and Winsford would have been joined in one area under one Compensation Board. After an exhaustive enquiry in March, 1893, extending over six days, before a Committee of the House of Commons, the Bill was rejected.

DIRECTORS.—The Hon. Lionel Ashley (Chairman) and the Hon. Charles William Mills retire by rotation, but, being eligible, offer themselves for re-election.

By Order of the Board,

E. C. WICKES,

Secretary.

19th February, 1894.

FIFTH ORDINARY GENERAL MEETING.

The Fifth Ordinary General Meeting of shareholders of the Salt Union, Limited, was held at Winchester House, Old Broad Street, London, on 27th February, 1894. The Hon. Lionel Ashley, Chairman of the Company, presided.

THE CHAIRMAN ON THE YEAR'S WORKING AND FUTURE POLICY.

The Chairman: Ladies and gentlemen, I will proceed to make a few remarks on the report and balance sheet. The results of the past year's working are decidedly disappointing. But I think that we can justly say that we have had more than our fair share of difficulties, and that we may reasonably look forward to better times. There has been severe and universal depression of trade for the last three years, and during the last two years we have had no less than three strikes, which have seriously affected us, the last being the worst of all. Surely we have the right to anticipate that trade must, shortly, take a turn for the better, and that, even under the new trades unionism, one year in three may pass without a strike affecting our departments of trade. . . . Our sales tonnage for 1893—you will see by the report—was 1,240,000 tons, against 1,354,000 tons in 1892, a decrease of about 8 per cent. . . . No doubt we have been able to make up elsewhere some of the loss of trade in Liverpool, and our possession of salt properties in various parts of the kingdom has stood us in good stead during the year. To Central and Southern America, owing to the political and monetary troubles in those regions, our trade has decreased. . . . There has been a further decline in the shipments to the United States, and there has been a still further development of salt properties in the United States. . . . There has also been a decrease in our tonnage to the British East Indies during the year, but the salt we have sent there has yielded us a more satisfactory return. With a view of maintaining our trade, we have deemed it necessary to consign the salt through our own agencies to Calcutta, and we have been able to obtain better prices than if we had disposed of the salt on this side. Our guiding principle is to extend our trade in the East Indies, and whilst cheapening the cost to the consumer, to obtain for your salt a price which has some relation to the price it realises in Calcutta and other Eastern Ports, and in these directions we hope to make steady progress this year. . . . Despite, however, the general depression, we have had increases in tonnages in some directions. British North America offers in this respect a pleasing contrast. Australia also shows an improvement, and so does the northern part of Europe. In the inland trade, which is mostly concerned with the manufacture and distribution of salt for domestic purposes, we have made progress, and our trade in 1893 has been greater than in 1892. We hope further, by judicious revisions of price from time to time, to recover a still larger share of the business. . . . We have made further progress in the policy of merging the distributor interests in those of the Company, and that policy has been justified by results. We have obtained better prices than we otherwise should have done, we have diminished friction with buyers,

and we have saved the distributor's commission. We are now distributing direct about 75 per cent. of the total tonnage of the Union. With those vendors or vendors' nominees who still retain their business as distributors we continue to desire to work in harmony so far as we can do so without sacrificing your interests. . . . An item which appears in our profit and loss account for the first time is that of £1,665 for experiments and charges in connection with patents. A large part of this payment was the result of an arrangement that was entered into by the Board four years ago (I see the then chairman mentioned it in the meeting of 1890). The Board agreed to pay a certain share of the expense for testing a patent to cheapen the manufacture of salt, and in return the Union was to have specially favourable terms if the patent turned out a success. After a long trial we concluded that the patent was not successful, and we have this year paid our share of the expenses. Up to the present we have not been able to find any new process that is superior to the old-fashioned methods. It is curious that modern science, that claims to have achieved so much, cannot improve on the methods of the Romans a thousand years ago, who simply boiled brine in an open pan. . . . Well, gentlemen, I may say of the whole Board that we are endeavouring to promote economy as far as it can be done without loss of efficiency, and we are doing all that is possible to extend our trade. It would be unwise perhaps to attach much importance to the improvement in the Board of Trade returns for the first month of 1894. But I think we may as prudent men assure that as far as the Union is concerned matters must be better than they have been during the past twelve months, and with this confidence we face the future.

CRITICISMS, QUESTIONS AND REPLIES.

Mr. W. B. Jeffreys : It must have been very disappointing to the Board as well as to the shareholders to observe the great falling off in the profits of the Union. Looking at the figures that are placed before us, I see that this year you only give us £176,859, whereas in 1890 you gave us £306,447. That is an enormous falling off. I hope that with the various economies which the Board tell us they are practising, and the improvements that we may look for throughout the country this year, that those figures may very shortly be reversed again. There is one question I should like a little information upon if you will not think me troubling you. I observe you quote the amount of investments as £71,440. May I ask you what is done with the difference between that and the £117,500 ? Am I to take it that the difference is used in the business ?

The Chairman : This is a matter which has been dealt with at two previous meetings. On one side you will see £117,000, which is the reserve fund ; on the other side you will see the £71,000 that is invested. The remainder is either in the cash balances or in the sundry debtors. It is, as has been constantly said here, employed as working capital—it is part of our working capital. You must recollect that when the Company was first started the sum of a little over £100,000 was reserved for working capital ; but in the

course of time we purchased the works of Messrs. Bell Brothers and one or two others, and we found ourselves almost entirely without working capital.

Mr. Holt : I should like to ask whether the opening of the Manchester Ship Canal has been any advantage or disadvantage to the Salt Union. You mentioned that a certain amount has been set aside for depreciation on steamers, barges and also rolling stock ; that the amounts have been seriously reduced, but nothing was said on the subject of goodwill. I should like to know whether anything has been set aside for the purpose of reducing this very large amount, which I believe was paid for goodwill, which ought, certainly, to be reduced every year in my opinion.

Mr. Keen : I understand you to say that the extra cost in fuel from the coal strike was £16,000. I should like to know what is the average cost of fuel on the production of each ton of salt in 1893 as compared with the cost of the production in 1892 ? At the same time I should like to know what was the average selling price per ton of salt for 1893 and the average selling price per ton of salt for 1892 ? I hope I have made myself clear to you.

The Chairman : There are certain trade matters which it is not desirable to make public, and I am not at all sure that it would be desirable for us to answer this question. But I think there would not be the slightest objection, if Mr. Keen would come to the office, to giving him the information there.

Mr. Keen : I do not quite see the force of this. I maintain that the selling price of salt has been much higher this year than last year, and that that has more than compensated you for the loss sustained through the higher price of fuel. I think the shareholders are entitled to know this.

The Chairman : I think you must have confidence in us. You have put us here to manage the business, and if there is a question which you ask us that we do not think we can answer without injury you must take our answer, and I can only again repeat that if Mr. Keen likes to come to the office we will let him know ; but it is a very different thing from stating it in public and, after all, it is not a matter which affects the accounts.

Mr. Keen : I do not quite see the force of that answer. I say that it does affect the accounts. . . . We cannot be prophetic, and I say these are matters that want careful looking into, and if the average price of salt per ton has been more this year than last, where is the trouble, where is the difficulty, and where has the money gone to ?

The Chairman : You have to recollect there is a decrease in sales ; but really we cannot go on like this, you must accept my ruling. If you are not satisfied with it I cannot help it ; but we do not think it is to the interest of the Company to give you the information in public.

Mr. Griffiths : You said that last year we lost £16,000 from extra price of fuel, which also affected the great railway companies as well as ourselves. It has been suggested that we should lay in a great stock of coal. Whether that is a wise suggestion or not I do not know, but I rather think it is not, for we should have to pay interest for the coal we lay in. I may say that one of the companies is considering the advisability of using another kind of fuel. They are endeavouring to run their locomotives with water heated

by petroleum. If that is likely to be a success with locomotives, surely where the engines are fixed, where the boilers are fastened to the earth, we can use that new kind of fuel with much greater facility and with much greater safety, and with much more cheapness than on the railway. The remarks you made, sir, with respect to the working capital being taken from the reserve fund, I think commend themselves to the meeting, but, on the other hand, it is a question whether that ought not to be stated in our accounts. I should have thought no auditor would have allowed the reserve fund to appear in a certain amount when a portion of that reserve fund was used as working capital. That auditor, I think, has made a mistake of judgment. You certainly have not committed a mistake of judgment in using it for that purpose, for we were in want of it, and if the articles give you power there is no reason why it should not be so used. There was another remark in your speech which rather struck me. You said that the value of a particular part of the plant (I think it was steamers) had depreciated from £193,000 to £163,000. That is an enormous decrease in the short period of five years. You further tell us you have spent upwards of £60,000 in improving the character of that plant. Surely our surveyors must have been at fault when they allowed this particular plant to be valued at that very high price in the first instance. Surely there must be some persons who must be responsible for that gross discrepancy between the real and the actual value of the plant. Of course here I speak rather to ask a question than otherwise, for without having the full details before one it is not safe to hazard an opinion, but I would suggest that if you can you ought to make some persons responsible for selling plant at £193,000 which, within this short period, has depreciated to £163,000, though during that same period you have spent upon it upwards of £60,000.

The Chairman : As regards the use of mineral oil instead of coal as fuel, I may say we did send people to inspect the works of certain companies and railways to see how the oil was being employed, but we came to the conclusion after consultation that the expense of changing the mode of heating would be so great that it would not pay us, and, you see, these strikes may last a very short time. When the strike began it was possible that the whole thing might have been over in a week, and if we had proceeded to an enormous outlay in adapting our furnaces to a new mode of heating and then the strike had come to an end we should have felt we had wasted your money. As regards the reserve fund, as a Board of Directors we have without regard to the auditors absolute right by the articles of association to utilize the reserve fund in any way we may think fit, and it is rather late now to come and say that any shareholder does not approve of it, because I say for two years we have distinctly told them that it is absolutely necessary that part of the reserve fund should be used as working capital. We had no working capital left, and it was the best way of serving the interests of the shareholders. It is not a question that the auditors have anything to do with at all, as by the articles of association we can utilize the reserve fund in any way we think proper. We could take the whole of it and give it as an increase of dividends

if we chose. There is nothing we might not do with it. Then with regard to the amount of barges written off, I would point out that we have sold barges, as I mentioned in my speech—those barges that did not suit our requirements—for a certain number of thousands of pounds, and because we reduced the capital value of the barges by the amounts realised, it does not follow that the barges are not worth more. But, as you know, sensible people always value their property at less than they think, perhaps, it would fetch as a going concern, and as far as we know—in fact we do know—that item of craft is in better order for our requirements than it was when we first got them, though we have sold a certain number. The money that we received from the barges has been written off that craft account, and has been credited to the general capital account.

Mr. Holt: I do not think you have answered my question about the goodwill.

The Chairman: As regards the goodwill you will recollect that the former chairman had to state once or twice that we took over the whole property and paid for it in a lump, at a price of about £3,400,000 I believe. It was quite impossible to say what of that represented the goodwill, plant or land or buildings or houses. We have got the land intact, and we have got the buildings, and we have got the plant in good order. We have spent during the five years we have had the property £282,000 upon maintaining and improving it, and we may also consider it as certain that in our reserve fund there is a certain provision against the depreciation of our property. I may say, in fact, that our property has not depreciated during the five years we have been in possession of it, but it would be impossible to take a bit of it and say, "So much for goodwill and so much for works," as it was all paid in a lump. We were glad to get the properties in a time when we were more prosperous than now, but as we paid for them in a lump it is impossible to say how much represents goodwill.

In reply to some questions put by Dr. McDougall, the Chairman said: I shall have to make the same answer to Dr. McDougall that I made to Mr. McDowell last year, which is that while you have a Board of Directors whom you are willing to maintain in their places you must allow them discretion as to the management. It is distinctly part of the business of the Board to decide how the concern shall be managed. It is true that possibly our present system is not an ideal one, but in our opinion it is the best one to suit the circumstances at present. There is no knowing what we may be able to do later on, when we have won all our lawsuits and become such friends with all outstanding distributors that we can lie down with them like lambs. Then possibly we may have a free hand to make a fresh start. I do not say that we need postpone it until then, but at present I think that it is the best system under the circumstances. But as I said last year, we will bear it in mind, and the moment we think the time has come for alteration in the management, we shall be happy to carry out what has been expressed by so many of the shareholders.

The resolution as to the adoption of the report and balance sheet was then put to the meeting from the chair and carried unanimously.

REPORT FOR 1894.

Sixth Annual Report of the Directors for the year ended 31st December, 1894, to be presented at the Sixth Ordinary General Meeting at Winchester House, Old Broad Street, London, on the 27th day of February, 1895.

UNION SALT TRADE IN 1894.—The gross tonnage of salt delivered by the Union in 1894 was 1,284,000 tons.

The great depression in the large manufacturing industries in Lancashire reduced the demand for salt for manufacturing purposes to a point even lower than that of 1893, when the coal strike paralysed these industries during several months. Nevertheless, the trade as a whole shows an increase upon that of the year 1893.

In the export branch of its trade the Union has to meet competition in all quarters of the world, necessitating frequent revision of prices to meet native and foreign salts in various markets.

COST OF MANUFACTURE.—In this direction further economies have been made, and others will result when greater concentration of working is possible.

SALT DISTRIBUTION.—Material progress has been made during the year both in the Cheshire and the Worcestershire Districts in bringing the Union into direct relation with its customers.

As announced in the directors' circular of 10th May last, an arrangement has been made for taking over Mr. Corbett's distribution business as from 1st July last, and ending the litigation which had arisen. In both these districts the cancellation of onerous covenants and obligations to vendors, though it has involved considerable payment, has been of substantial pecuniary benefit to the Union, and has greatly facilitated its operations.

MAINTENANCE OF PLANT.—The salt mines, works, pans and machinery in operation, steamers, barges, flats and canal boats, and the locomotives and other railway stock, required for the Company's business, have been maintained in good repair and condition. A number of new wagons have been built, to replace others which were no longer serviceable, the cost of their construction being charged to revenue account.

DURHAM DISTRICT.—In pursuance of the terms on which the Port Clarence property was acquired, about £5,500 has been spent during the year in the extension and development of those works. The further capital expenditure in this direction, in the present and following years, will enable the Union to obtain a larger proportion of the Durham salt trade.

BALANCE SHEET.—During the year the sum of £7,902 3s. 11d., expended on new works, has been charged to the general capital account.

The amount owing by the Union at 31st December last was £160,381 10s. 1d., and to the Union £156,959 12s. 4d.; the cash at bankers on current and deposit accounts, and in hand, was £41,827 2s. 7d.; and bills receivable amounted to £9,091 12s. 1d.

PROFIT AND LOSS ACCOUNT.—The amount standing to the credit of this account for the sale of salt and brine was £235,551 8s. 8d. To this has to be added the sum of £83,975 10s. 8d., representing the profits earned from carriage and other sources, making the total amount .. £319,526 19 4

After deducting the cost of maintenance of plant, distributors' discounts, agency, and other charges set forth in the Profit and Loss Account, the profits from all sources amount to 170,482 6 0

Add the amount brought forward 4,676 11 11

£175,158 17 11

From this sum deduct the Debenture Stock interest paid on 1st July, 1894, and 1st January, 1895 45,000 0 0

Leaving .. £130,158 17 11

Your directors recommend that dividends for the year ended 31st December last be declared at the rate of 7 per cent. on the Preference Shares, which will require.. .. 70,000 0 0

And at the rate of 2½ per cent. for the year on the Ordinary Shares, which will absorb 50,000 0 0

And that there be carried forward 10,158 17 11

£130,158 17 11

In order to liberate these profits for dividend, and in order to provide at the same time additional working capital, your directors recommend the scheme which is embodied in the following paragraph.

FINANCE.—The attention of the shareholders has, at various times, been called to the fact that, owing to the acquisition of additional properties after the incorporation of the Company, the Union has been left without sufficient working capital.

Whilst the Reserve Fund has, to a large extent, been utilized in the business, it has been possible to acquire and carry on the salt distribution and general financial administration without raising further capital. The aggregate expenditure in the purchase of new freehold and long leasehold properties, the redemption of covenants and obligations to vendors, the acquisition of trade marks and distribution businesses, the extension of the Company's direct commercial relations with its customers at home and

abroad, the present and future extensions at Middlesbrough, and the advisability of the Reserve Fund being easily realisable, now render it desirable to raise further capital, as it is only by this means that the Company can obtain the advantages which an adequate supply of working capital affords.

Since the incorporation more than £375,000 has thus been expended on Capital Account; your directors propose, therefore, without reduction, to raise a sum not exceeding £250,000, by means of $4\frac{1}{2}$ per cent. Debenture Stock, and at the Meeting on February 27th there will be submitted the following

RESOLUTION :—

“ That the directors be and are hereby authorised to create and issue not exceeding £250,000 of B Mortgage Debenture Stock, bearing interest at the rate of four and a half per cent. per annum, payable 1st January and 1st July, and to be constituted and secured by a Trust Deed and Debentures creating (1) a first charge upon the property purchased, or agreed to be purchased, by the Company after the 8th October, 1888, and (2) a second charge upon the Undertaking and all other the Property of the Company, ranking after the existing issue of £1,000,000 of four and a half per cent. First Mortgage Debenture Stock, in such form as the directors think expedient.”

PARLIAMENTARY.—For the protection of your interests it has been necessary to appear before the Parliamentary Committee on various Canal Tolls and Charges Provisional Order Confirmation Bills, whereby advantage will accrue to the Union, especially in the case of the River Weaver Navigation, where a reduction in the maximum toll charging power has been secured.

Under the Weaver Navigation Act of 1893, the Weaver Trustees have this Session introduced a Bill for the reconstitution and management of the Trust, but inasmuch as the Bill does not give adequate representation to the toll payers, nor apply the surplus revenues of the Navigation in reduction of tolls, your Company, as the largest, and Messrs. Brunner, Mond & Co., Limited, as the second largest toll payers, have also introduced Bills to effect these purposes.

By Order of the Board,

E. C. WICKES,

Secretary.

16, EASTCHEAP,

LONDON, E.C.,

19th February, 1895.

SIXTH ORDINARY GENERAL MEETING.

The Sixth Ordinary General Meeting of the shareholders of the Salt Union, Limited, was held at Winchester House, Old Broad Street, London, on February 27th, 1895. The Hon. Lionel Ashley, Chairman of the Company, presided.

The Chairman said : Gentlemen, you will have seen from our report that the sales tonnage for 1894 amounted to 1,284,000 tons, as against 1,240,000 in 1893 ; that is an increase of about $3\frac{1}{2}$ per cent. This increase in the aggregate tonnage would have been much greater if it had not been for the depression in the large manufacturing industries of Lancashire and elsewhere. The demand for salt for manufacturing purposes has never been lower than it has been in the last year since the Union was formed. There has been a considerable increase in the tonnage sold, with some slight reduction in price compared with previous years. The salt manufacturers outside the Union have recognised that there is over-production, and some of them have from time to time approached us with proposals, but we have declined to come to any arrangement which did not include all outside manufacturers, and which, while reducing production, did not establish moderate prices. The volume of the export trade has not been unsatisfactory. The total tonnage of salt exported from Liverpool has been 80,000 tons more than in 1893, an increase of about 16 per cent., and this is in spite of the fact that the number of ocean-going ships out of Liverpool has been only $2\frac{3}{4}$ per cent. more than 1893, and in ocean-going tonnage the increase has only been $6\frac{1}{4}$ per cent. For the first time for many years past there has been an increase in the salt tonnage to the United States, due partly to the remission of the salt duty, and partly to some alterations in our trading arrangements there which we have made, and which have given us a freer hand. The benefit of the abolition of the duty has only been felt in the last four months of last year ; in the earlier part of the year the uncertainty as to the result of the tariff discussions paralysed shipments to the United States. Under the old law, as many of you are aware, a heavy tax was imposed on all salt imported into the States, but a rebate of 90 per cent. was allowed when salt used for commodities was exported from the States. But under the Wilson Tariff Act the duty is not chargeable upon salt, but the *ad valorem* duty is charged on bags containing it. To South America, Africa and Australia there have also been increased shipments, and there is reason to hope that with the growth of exports of dairy produce and preserved meat from Australia there will be a corresponding increase in the quantity of salt exported from England to that continent, for the Australian purchasers and merchants are keenly alive to the importance of the best and purest salts being used for these purposes. To Holland there has been a decrease, due to the competition of German manufacturers, and due to the advantage they derive from cheap and excellent river and canal communication. The tonnage to the Baltic and to the other ports in Northern Europe in the aggregate has remained stationary, but we hope that

as the result of the journey of one of our chief officials, Mr. Pretty, who has taken a journey to those ports, the fish curers will become convinced of the superiority of brine-evaporated salt over the solar salt, which must necessarily contain impurities. Not the least service rendered by Mr. Pretty to the salt trade has been his obtaining a reduction of 50 per cent. in the Finnish customs duty on English salt. In the Indian trade we have been passing through rather a critical period. Many of you here are doubtless aware that prior to the formation of the Salt Union the competition amongst salt manufacturers in Cheshire was so severe that the shippers of salt to India were able to buy salt at the bare cost of production, and sometimes even less, and to get a good rate of freight and yet make satisfactory profits in India. After the Salt Union was formed the price of salt in Liverpool was increased, and as the sale price in Calcutta went down, freight and profits of the shippers and exporters were reduced. This result was as unsatisfactory to them as the previous condition of the market was to salt manufacturers. Well, in February, 1892, at the general meeting, I expressed our regret that in the battle of salt in Calcutta the results were so unsatisfactory to shippers, but at the same time, and again in 1893, I said that we were determined at all hazards to retain the market and to maintain and increase our tonnage sold. And in 1894 I said that in order to maintain our trade we had found it necessary to consign salt through our own agencies to Calcutta. No doubt the result for the time has been increased competition, but we have, whenever we could, entered into friendly alliance with shipowners. Combinations in important matters of this kind are difficult to bring about, and probably they are never achieved without some misunderstandings, but it is my pleasant duty to report to you to-day that we have now concluded arrangements extending over a period of years with large steamship firms who trade to Calcutta, and we believe that the outcome both to our allies and to this Company will be mutually advantageous, giving much better results to our Indian trade. You will see by the statement I have made that the past year has been a fighting year, and that we have had to adopt a fighting policy. We have had to fight against unusual competition, especially in India, and we have had to struggle against the depression in chemicals. I have already told you that the outlook in India is more promising, and we may assume, I think, that the reduction in chemical stocks will improve the demand for chemical salts; at all events we may expect that the simultaneous failure of two most extensive branches of our trade is not likely to recur. We have not lost sight of China as a possible market, but our efforts in that direction up to the present have so far brought no result. We are ready to take advantage of any change that may occur in consequence of the war. Our policy of acquiring vendors' covenants and assimilating distributors' interests has been further extended this year, and been justified by results. It was only with monopoly conditions that we could carry on the business under the system of distribution for which vendors stipulated, probably under a mistaken belief that monopoly in salt was possible. Under the distributor system, we have not been able to trade on ordinary commercial

lines, and some covenants bound us hand and foot. We have bought many of these vendors' covenants, trade marks and businesses as cheaply as we could, and the yearly profit we have hitherto realised on the purchase price has averaged 20 per cent. It should be further pointed out that now about 80 per cent. of the whole of our business is in our own hands, and one of the results of our trading is that the figures of 1894 are the first in the history of the Union which show an expansion of trade compared with previous years. This has been achieved in spite of the greatly reduced demand for chemical salt, and it is satisfactory to know that all our districts have contributed to this increase. Much time during this year was given to the matters in connection with the Corbett, Delamere and Deakin lawsuits, which I mentioned the last time I met you here. We can all congratulate ourselves on the result of the two first-named actions. We took over Corbett's business on the 1st July, and have therefore only six months' profits shown in our accounts, but in that period we have made profits at the rate of 13 per cent. per annum on the amount paid for the business, and we may hope the results will be still better when we have been longer in possession. One important part of the settlement is the relief we obtain from covenants which prevented the free working of our business as between Cheshire and Worcestershire. We have the written opinion of Sir Charles Russell (now Lord Chief Justice) and Mr. Cozens Hardy, Q.C., that the settlement we came to was one, in their opinion, greatly to the benefit of the shareholders. Not only have the brine lands which Mr. Corbett held at the time the Union was formed been retained, but the land he bought subsequently. They cannot enter into competition. The action brought by Lord Delamere's trustees was eventually settled out of court. The trustees agreed not to take advantage of any technical points which might be in their favour in our lease, and we undertook to carry out, during a period of years, certain improvements in the leaseholds which would be of benefit both to the leaseholder and to the freeholder. So that the first two lawsuits we have got rid of. Messrs. Deakin's action is still *sub judice*, but we are confident in the justice of our case, and hope before long that we shall be free from heavy lawsuits. If you turn to the profit and loss account, you will see our gross profit on salt and brine is about £20,000 less than in 1893, and this although we sold 44,000 tons more salt. Prices both in the inland and export markets fell in 1894, and the fuel bill in 1894 was not much less than in 1893, for the effect of the coal strike was felt many months after the strike was settled. Our profit as carriers is larger, owing mainly to the increased tonnage. In relation to this we are still in friendly negotiations with the railway companies for settlement of questions as to private sidings and wastings under the Railway and Canal Act, 1892. In order to preserve our position under the Act of last year, we lodged our complaints last Saturday with the Board of Trade; but we still hope by mutual concession to be able to settle with the companies direct. To turn to the other side of the profit and loss account, "maintenance of plant" cost £6,800 more than in 1893. From our cost sheets, as well as from observation, we know our plant to be in excellent condition, and no wonder, considering that we have during the last

six years spent out of revenue £330,800 in maintenance. Administration expenses show an increase compared with 1893, due mainly to the steps we have taken for the development of new branches of trade. Rates and taxes are £500 less, but we have paid since the formation of the Company, under this head, about £40,000. Law and Parliamentary expenses are £600 less than in 1894. As you know, the Parliamentary Committee in 1893 rejected the proposal to group Northwich and Winsford in one area under the Brine Pumping Compensation Act. Subsequently a number of Northwich property owners thought it well to petition the Local Government Board to form an area embracing Northwich, Winsford, Middlewich and Sandbach, and we thought it right to again appear before the Local Government Board Inspector and to show that we ought not to be called upon to pay for damage done by others. This inquiry was held about a year ago, and no new order has yet been drafted, so that we presume the authorities recognise the difficulties inherent in the Act of 1891. In our opinion, the only satisfactory and permanent solution of the difficulty would be to individualize the responsibility, both as regards the pumpers and as regards the districts. We have had also to appear before the Parliamentary Committee dealing with the schedule of tolls for the Weaver Navigation. The Committee rejected a schedule proposed by the Board of Trade, and accepted that proposed by the Weaver Trustees, which continued the existing maximum powers. In conjunction with Messrs. Brunner, Mond & Co., we consulted the Board of Trade, and as a result a conference was held, under the presidency of Sir Courtenay Boyle, with the Weaver Trustees, and the maximum toll on salt was reduced from 1s. to 10d. per ton. This reduction is some alleviation of the excessive toll which has been imposed on us in the past, but we think that even this reduced toll will in time be found in excess of the navigation requirements. The Weaver Trustees have this session lodged a Bill for the reform of their constitution. So we have lodged a Bill of our own, which would give increased representation to traders, and which would prevent the levying of toll on trade for the benefit of county rates. Messrs. Brunner, Mond & Co. have lodged a Bill for similar objects, but I think we have now agreed to unite in supporting one Bill for our common purposes. Turning to the paragraph headed "Finance," it will be remembered that when the Union was started we had about £300,000 of working capital, but subsequent purchases which were deemed expedient in Durham, Cheshire and Worcestershire, absorbed a very large portion of the money. Still, as shareholders will recollect, by the help of the reserve fund, which I have told you year after year was being utilized in the business of the Company, we have been enabled to get along up to the present without raising further capital, but we have had to pay this year specially large sums for the acquisition of distribution businesses and of covenants with vendors. Moreover, as I mentioned before, in order to retain our hold of the Indian trade, we have had to increase our stocks in Calcutta and afloat so as to show to our competitors that nothing will prevent our supplying that market. These arrangements, as also our increased direct trade in the room of the former distributors, have caused us to lock up in our business not

only the greater part of our reserve fund, but also the greater part of the year's profits. This lock-up we wish to put an end to by providing more capital, and I maintain that it is not a true statement of the case, as some critics have put it, that we propose to borrow money at $4\frac{1}{2}$ per cent. in order to pay a dividend of $2\frac{1}{2}$ per cent. We propose to borrow at $4\frac{1}{2}$ per cent. in order to get a much higher rate of interest for the money used as working capital. It is true that at the moment our profits have been lent to capital, but by providing real working capital we shall restore our profits to their proper position and make them available for dividends. If we had proposed to the shareholders in the summer to raise the capital required for the purchase of Mr. Corbett's and other businesses, it would have been acknowledged even by our critics that we were investing our money at a high rate of interest. What difference does it make that we do it now instead of in the summer? We are equally raising money at $4\frac{1}{2}$ per cent. which will pay us 13 per cent. or more. It has been further said that the more properties we buy the worse off we are, and that these purchases have resulted in a dividend of $2\frac{1}{2}$ per cent. instead of 10 per cent., as in the first year's working. Gentlemen, my answer to that is that if we had not made these purchases we could not even have paid a dividend of $2\frac{1}{2}$ per cent. . . . After careful consideration, therefore, we ask you for power to raise a sum not exceeding £250,000 by means of $4\frac{1}{2}$ B Mortgage Redeemable Debenture Stock in such a manner as the Board shall think fit. The Board do not propose to issue more than £200,000 at present, and in the allotment of stock applied for they propose to give the preference first to the applications of shareholders, and next to the applications of debenture holders. The stock will be issued at a moderate premium, and will be redeemable at a slightly increased premium over that, but the details of the issue will be made known in due time. We are at present making the arrangements, but they are not complete. As regards directors, two members retiring by rotation and offering themselves for re-election are Mr. Turner and Mr. Ward. Of Mr. Turner I have not a word to change in what I said of him in 1892, when he was re-elected. I said then, and I say now, that Mr. Turner has done invaluable work for the Union. . . . Mr. Ward is also an old friend. His sound judgment and knowledge of the trade and his zeal for the welfare of the Company have made him valuable and a valued member of the Board. In the course of last year we lost, to our great regret, the assistance of Mr. Pascoe St. Leger Grenfell. The number of vacancies on the Board is therefore two, and the shareholders will recollect that the number of directors has been fixed at nine. The directors propose to leave those other vacancies unfilled at present, but they will be available at any time, if it should be found desirable, to appoint any gentleman with special knowledge or special influence in business connected with our trade. Our auditors—and there will be a resolution proposing their re-election—have, in consequence of our distribution agencies, had much more work to do during the last year than in previous years. From them we have received valuable advice and suggestions as to the accounts; and helping us as they do we should gladly welcome any

proposal from you by which their fees might be increased from the present amount of 150 guineas to 225 guineas each. . . . Since our last meeting the Board, in conformity with the expressed wish of many of the shareholders, and also as the result of their own careful consideration, have appointed a general manager. They have appointed to that office Mr. Fells, who for some years past has been taking a considerable share in the general superintendence of the business. . . . The Board can also speak highly of the services rendered by Mr. Wickes, the secretary, and by the rest of our staff. Perhaps some of our good critics may say, in answer to these appreciatory remarks, both as regards the directors and as regards the staff, that it is a pity that so much talent and energy should not have produced better results. The old saying is as true as ever, that no one can command success. Well, gentlemen, I do not venture to prophesy as to the course of trade, but we cannot think that the stagnation of industry during the past can continue. We may expect that our export trade will be maintained at better prices. We shall pay less for our fuel and less for our tolls on the Weaver. We hope to be free from heavy losses, and we hope still more to improve the profits of our distribution agencies. All these points should give us courage.

Mr. C. A. McDowell: I have listened with very great pleasure to the speech which our chairman has made. With much of it I agree, but from some of it I differ. I shall begin by referring to the financial scheme for rehabilitating our reserve fund and getting back money taken in the past from our dividends. I can heartily support all that. As against our indebtedness, the directors ask for a credit of a quarter of a million. I do not think that unreasonable. But in relation to our indebtedness I have one thing to say, and that is that we shareholders are brought into debt without any consultation or any consideration. We have reason to regret that our directors have the power to get us into debt. Our chairman very justly commented upon the valuable property acquired from Mr. Corbett. I have no hesitation in saying, from what I know of the property acquired from Mr. Corbett, that the revenue from it alone will amply pay the interest on the loan that is asked for, if properly managed. . . . I suggest to our directors that they will not allow any undue interference in the management of Mr. Corbett's business, but will leave it in the competent hands in which it is at present, and then success is sure to ensue. . . . In the year 1892, a contract was entered into with one of the best firms in Liverpool, Messrs. Brocklebank. The name of the firm is a household word. Their honour, integrity and ability to meet their indebtedness is unquestioned. They took 75,000 tons a year of your salt. A contract was entered into with those gentlemen for two years at a certain price, thus giving them some slight advantage over the small purchasers. The contract was to last for two years, and they were to have such terms as no other party taking a less quantity of salt was to be given. They were bound hand and foot. Some of the officers of the Company wanted to do a smart thing—I do not know whether the directors or the Executive Committee will endorse their action—they connived at or assisted in the formation of a syndicate of small men who purchased a

quantity of salt equal to Brocklebank's, and Brocklebanks, although they had entered into this honourable contract, found competitors in the market under conditions which they never conceived would have been carried out. My idea of this transaction is that it was wrong. There was a gross breach of the arrangements with Messrs. Brocklebank, and they resented it. The contract was for two years. It was, I believe, a verbal one. I do not know that it was anything else, but at the end of the first year Messrs. Brocklebank said, "We will have nothing more to do with you: keep your salt. You have broken faith with us: keep your salt." What was the result? Messrs. Brocklebank went to our opponents and got their salt, and we were left with our salt on our hands. What were we to do? Well, in the words of our chairman, we established our own agency. We appointed one of our directors as agent. I do not know, gentlemen, whether according to our articles of association we were justified in doing so. I am not lawyer enough to know, but according to the articles of association no director can have any dealings with the Company of which he is a director. The clause states, "The office of a director shall be vacated"—not "may be," but "shall be"—"if he accepts or holds any other office under the Company except that of chairman, deputy-chairman or managing director." That is the article of association, that if a director accepts any office under the Company his position is vacated. Well, gentlemen, we appointed our own agent, and we appointed Mr. Turner, and we shipped our salt, with the result at the end of the year that there are 22,000 tons in stock, and it will be there for some time still, as the fresh salt going in will keep it there. That is how our Calcutta business stands at present. It has been stated that we have coerced Brocklebanks into a coalition. That is wrong, gentlemen. I proclaim it is not the case; we have not coerced them. Mutual friends have intervened and brought Messrs. Brocklebank to the Union, and a very amicable arrangement has been entered into, and I am in hopes that this year we may wipe out the loss we made on last year's shipping. That is how that matter stands. I have the average shipment here for five years, and I find that owing to our interference in Calcutta we last year shipped 17,716 tons above the average of the five years. I do not think that was wise. Results have shown that it was not so, and I am afraid results later on will show that we have made a mistake thereto. Now I come to the American market, to which our chairman referred. I do not profess to know as much of other markets as some gentlemen here, but I have been intimately connected with the American market for forty years. I conducted my business there myself. I went out every year, and I made my contracts for my whole year's production, and I came back with them, and I do not say it boastingly, but when the Salt Union took over my works, small though they were, I was enabled to show their own accountant that I was making £10,000 a year for several years before they took them over. Well, with the works they took over the management: our manager commenced to manage the works, and under his management your profits have fallen 50 per cent. I do not wonder at it. I know the Americans intimately. I have been there every year for twenty

years—I was there last year for pleasure, and the year before for pleasure, but I looked into the trade in which I was engaged previously. I tell you I am not at all surprised that on that one item alone you have decreased your profit by 50 per cent. on the management there. I never knew anything like it. When I went out to America I met a contractor, and we discussed the future state of the market—I came home with a contract in my pocket, equitable and fair to him, profitable to me. I never allowed one contract to expire before I made another. It is not so here, gentlemen. The gentleman who has charge of your business and contract-making was too busy on legal and other matters to engage in these American contracts. Time slipped by, circumstances altered, panics came on, and when our manager was ready to make the contract the contractor declined to do it. That is how it went on. I believe in the five years just past that your company succeeded in making two contracts. I do not believe three—I speak subject to correction; but I think it was only two. They were going from hand to mouth. But in America you have to make your contracts beforehand, send out your travellers, make your arrangements for the year—if you leave it to the end your contractor will have gone elsewhere. There is another question of management which will appeal to all commercial men here. In some southern markets a particular grain of American salt was taking the lead. Your agent out there saw this, and wanted to introduce English salt to take its place. He obtained a sample of the salt and sent it over to the Union, a very common sample of salt, nothing very particular at all; it ought to be produced in at least a month by experiment. I mean to say after a month's experiment it ought to be produced with ease. It took more than a year to produce this article, and in the meantime the American salt was taking hold. At last it was produced. The man who sent the sample over wanted to get control of that salt, and he offered to take 6,000 or 8,000 tons right away. But your manager did not see that it was right to give that man the control of that salt, and he did not, and after the man had sent out travellers all about for the sale of the salt in the south, he was told, "You cannot have a monopoly in this, although you have introduced it," and they sold the same salt to traders in Savannah and Charlestown. I do not think that is business. It may be, but it is not what I was accustomed to. Now I come to the point where the chairman adverted to the appointment of a general manager. On many occasions here I have advocated, and I still advocate, the appointment of a proper general manager for a concern like this. I have advocated it over and over again, that no concern of the magnitude of this should go on without a proper and experienced general manager. . . . I suggested that they should go far afield and get offers from gentlemen competent to take the office. My advice was not taken: they stayed at home and took their accountant. Of Mr. Fells personally I have not one word to say, he is an exceedingly clever accountant, an exceedingly clever man, but he is not the man for the office that they have given him, for this reason: he is an excellent man at accounts, he is an excellent man in cases of litigation, but when it comes to dealing with men he has signally failed—he antagonizes

them until they are swearing at him : every man he comes in contact with in business he antagonizes and makes an enemy of. . . . I suggest that a committee of shareholders ought to be appointed to assist the directors in the matter of business and other things that come before them. If you have a railway company you cannot make a switch without the consent of your shareholders, you have to go to Parliament. Here you may be committed to any amount you like. I suggest that a committee of shareholders to assist the directors would be advantageous to them and satisfactory to the shareholders. With regard to Mr. Turner's re-election, I mentioned it incidentally that legally I did not think he was entitled to re-election.

The Chairman : Perhaps I may be allowed, as Mr. McDowell has made so many statements and brought in so much that is argumentative, to answer him at once. When Mr. McDowell says he has brought before you a large number of facts I should like to say that there is hardly a single fact amongst the whole lot, as I will now proceed to show you. . . . As regards Messrs. Brocklebanks' contract, I maintain that they knew of this so-called underhand arrangement, we told them what we were going to do. And why were we obliged to do it ? Simply because we were so tied and bound by our distributors, or that they claimed we were bound to allow them to send salt to Calcutta at the same price for one ton as we agreed to give Brocklebank, who take 75,000 tons. In fairness to Messrs. Brocklebank we could not allow that—that one man should come to us and get ten tons at the same price Messrs. Brocklebank get for their large contracts. What we said to our directors was, you may join together in a lump, and if you can altogether make up 75,000 tons it will put you on a level with Messrs. Brocklebank. And Messrs. Brocklebank never objected and never broke off the contract. . . . I will ask Mr. McDowell to look at Clause 88 in the articles of association, that no director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company with any company or partnership of or in which any director shall be a member or otherwise interested be voided, nor shall any director so contracting be liable to account to the Company for profits, &c. We are advised that we have a perfect right to make a contract with Mr. Turner that he should sell our salt at Calcutta if it suits us, or rather that his firm should do so, and that Mr. Turner has a perfect right to undertake to do that at any price he may think proper. I may say that Mr. Turner's firm has done our work very well and at very cheap prices. . . . Mr. McDowell has been very severe upon Mr. Fells, and implies that our American trade has fallen off on account of the iniquities of Mr. Fells. We know that one man cannot do so very much about the market, but I should like to read to you the opinion of Mr. McDowell, which he expressed in August, 1891—it was when we met in Cannon Street. He said, "Our American market is interfered with very materially by the production of American salt. I may mention I have been in every State and every territory in the United States, and I was perfectly amazed to find the rate at which their salt production is

growing. You have that to compete with, and nothing but cheap freights will enable you to send salt there. You have to look that in the face, and look for other markets elsewhere." And now, when according to his prophecy we have been losing the American market, he says it is on account of the wickedness of Mr. Fells, and not on account of the competition of the American market. Mr. McDowell, as a large shareholder, has a perfect right to criticise us and to give us good advice, but I do not think that in this matter he quite realizes how much he is warped by prejudice. Somebody mentioned to him just now that he was a vendor, but what I should like to point out to you as rather more important is—and I think Mr. McDowell is rather apt to forget it—that his son is a distributor. Of course that means that the Salt Union is bound to a certain extent to be in rivalry and competition with him. We cannot help it. Naturally our officials strive to make the best of their agencies, and naturally the distributors try to make the best of theirs, and in the course of this competition the people who are the head and front get abused, and Mr. Fells is in that our fighting man. He is the man we put forward to fight for us, and I do not blame him for being disliked by the distributors. It cannot be helped. I have never heard that it was considered a reflection on the Duke of Wellington that he was not popular with the French Army. Naturally he would not be, and it is the same with Mr. Fells. With the best intentions he has to stick up for the interests of the Salt Union, and I say honestly that the Board are determined to maintain him so long as they think he does his duty; and I shall never be so pleased as when I hear that he is unpopular either with our opponents or our distributors.

Mr. McDowell: Then you may look for reduced dividends all the time.

The Chairman: I think the more unpopular he is with our opponents, it means the more we are getting the better of them, and so advancing our trade. You know we undertook to supply salt for that American gentleman, but at the same time we carefully gave him notice that, while we would do what we could to protect him, we would never promise we would never sell to anyone else. Shall I tell you why Mr. McDowell feels so strongly on the subject? Here again it is his natural paternal partiality for his son's distribution. This agent in America is young Mr. McDowell's friend, and gives him his business. We are determined to protect our distribution agencies, and not allow Mr. McDowell's agency to absorb the whole of the American trade, and therefore we held that we had a right, when we got an order from a gentleman in Savannah and another in Charlestown, to sell them some of the salt, and we gave these people out in America full notice that we could not prevent selling to other people. The only other thing I have to say is as regards the allotment of new debenture stock. You know an allotment *pro rata* would be a very expensive and troublesome thing, and I do not think so far as the smaller shareholders are concerned, that they would get so much out of it, because it is such a small amount that a man with 150 shares, or less than that, would probably get nothing at all, whereas we propose to allow the applications to be as low as for £10 of stock, so that any poor

shareholder who wishes to apply may know that he can get £10 worth. That is a better plan, we think, than allotting *pro rata*, because by that very possibility a man with 150 shares would get nothing at all, whereas all the small shareholders know that they can make application and get it before anyone else.

Mr. Griffiths : It may be satisfactory to have your assurance, sir, that good seamanship will weather the storms, but it seems to me that our Company is a land company, and that we are formed to develop trade, not to go to sea, and I think it would be better if we somewhat changed our policy. In your speech you also mentioned something about acquiring other businesses. Surely by this time our Company is sufficiently overweighted with the burden of capital, and it would be wise to make a profit of the business we have rather than to buy businesses which are speculative, and which, according to you, may have disastrous results. If the Indian business of the Union has been a failure, that strengthens our argument. We want more care as to the development of our business, we do not want so much speculation as to the acquisition of new business until we have made the very large business we already possess satisfactorily remunerative to those who have invested their money in it. I do not intend to criticise the project which has been brought forward to raise capital at this particular juncture, but it certainly does excite suspicion that if we were not to raise this additional capital we should not be able to pay this dividend. If so, all I can say is that will be able to account for the fact that our shares stand so low on the Stock Exchange. If we wish them to rise again I think we ought to refrain from these petty squabbles which rise up between particular shareholders and particular directors. The directors ought to devote themselves to the service of the Company : the shareholders ought as far as they can to support the directors.

The Chairman : The next resolution is the resolution creating the mortgage debenture stock. I move, " That the directors be and are hereby authorised to create and issue not exceeding £250,000 of B Mortgage Debenture Stock, bearing interest at the rate of four and a half per cent. per annum, payable 1st January and 1st July, and to be constituted and secured by a trust deed and debentures creating (1) a first charge upon the property purchased, or agreed to be purchased, by the Company after the 8th October, 1888, and (2) a second charge upon the undertaking and all other the property of the Company, ranking after the existing issue of £1,000,000 of four and a half per cent. first mortgage debenture stock, in such form as the directors think expedient."

The Hon. Charles William Mills : I second that.

The resolution was unanimously agreed to.

The Chairman : The next motion refers to the directorate, and I propose " That Mr. Alfred Morrison Turner be hereby re-elected a director of the Company."

Mr. Pretty : May I have the pleasure of seconding that ? It has been my privilege on a former occasion, and I should like to have the honour to-

day. I think that Mr. Turner's high ability, his sterling character, his undoubted integrity, his social position, and the marked esteem in which he is held amongst the higher commercial circles of Liverpool, render him an extremely useful man on the Board. As one who has been connected with shipping in Calcutta, I would beg the shareholders not to run away with the idea that because we have had one unfortunate year others equally unfortunate must follow, so much depends on circumstances quite outside the price of salt. I think we have every reason to anticipate that with skilful management, and judging from the way the Union has grappled with the markets there, we shall shut out German competition and establish our position more firmly than it has ever been established before.

The re-election of Mr. Alfred Morrison Turner was agreed to, with one dissident.

The Chairman : The next resolution is that Mr. Thomas Ward be hereby re-elected a director of the Company. I have great pleasure in moving that.

Mr. Walter Robinson : I have great pleasure in seconding that resolution. Mr. Ward is so well-known to the people in Cheshire that I will only make one observation, and that is that "good wine needs no bush."

The resolution was carried unanimously.

Dr. McDougall : I beg to propose a vote of thanks to the chairman, directors and staff of the Salt Union for their able conduct of the business during the past year. I think we are very much indebted to you, sir, and to the Board of Directors generally for your management, and for steering the Salt Union in such troublous times. I must say that I think the remarks which have fallen from Mr. McDowell were most uncalled-for, and I do not think when he criticizes the conduct of the directors so severely that his former position in the salt trade can be known to the shareholders, or the position that his son now holds. The directors have had very difficult times to contend with. I hold a very large interest in the Salt Union, not so much as Mr. McDowell, but at the same time I think I am entitled to say something on behalf of the Board with regard to a district I know so well. I think it was grossly unfair on the part of Mr. McDowell to attack the general manager. Mr. McDowell knows only too well that Mr. Fells' lips are sealed, and I am not going to add one word to what the chairman has so well said on behalf of Mr. Fells. . . . I think we are very much indebted to the chairman and directors for the course they have taken, and I have very great pleasure in moving that a cordial vote of thanks be given to the chairman, the Board of Directors, and the staff for their part in the work of the year.

THE SALT UNION, LIMITED.

ISSUE OF £200,000 OF $4\frac{1}{2}$ PER CENT. "B" MORTGAGE DEBENTURE STOCK, IN SUMS OF £10 AND UPWARDS.

MESSRS. GLYN, MILLS, CURRIE & CO., *Bankers, Lombard Street, London, E.C.*, will receive Applications up to 27th March instant, for the undermentioned Issue of £200,000 of $4\frac{1}{2}$ per cent. "B" Mortgage Debenture Stock of the Salt Union, Limited, at £104 per £100 of Stock, payable as follows :—

10	per cent. on Application.
34	„ on Allotment (including the Premium).
30	„ one month after Allotment.
30	„ two months after Allotment.

—
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The Interest will be payable half-yearly, on the 1st January and 1st July, the first proportionate payment becoming due on the 1st July next.

BOARD OF DIRECTORS.

The Hon. A. LIONEL G. ASHLEY, Audley Mansions, W. (*Chairman*).

EDWARD SABINE BARING-GOULD, Esq., Guildford, Surrey.

HERMAN JOHN FALK, Esq., West Kirby, Cheshire.

The Hon. CHARLES W. MILLS, Lombard Street, E.C.

WALTER ROBINSON, Esq., Gledhow Gardens, South Kensington.

ALFRED M. TURNER, Esq., Liverpool.

THOMAS WARD, Esq., Northwich, Cheshire.

The Stock is part of an authorised Issue of £250,000, consequent upon the purchases agreed to be made after October 8th, 1888, of additional Salt Works, Lands, Properties, Trade Marks, and Salt Distribution Businesses, and for the purpose of replacing and providing further Working Capital for the Business of the Company.

£1,000,000 of $4\frac{1}{2}$ per cent. First Mortgage Debenture Stock, issued with the Share Capital on the Incorporation of the Company in October, 1888, and fully paid up, is secured by Debentures constituting a First Charge upon the undertaking of the Company, including, subject to conditions endorsed thereon, property to be thereafter acquired. One of the endorsed conditions is as follows: "In case the Company shall at any time acquire any property by purchase (not being property already agreed to be purchased on the 8th October, 1888, nor moveable chattels purchased otherwise than in connection with the purchase of a business), the Company may, notwithstanding the charge created by this Debenture, raise any sum not exceeding the purchase money (with interest at any rate), as a First Charge upon the property so purchased, in priority to this Debenture."

As appears from the Auditors' Certificate below set forth, the properties purchased since 8th October, 1888, (other than in connection with Distribution

Businesses), and still held, have cost the Company £223,984 11s. 7d. Accordingly the £250,000 "B" Debenture Stock will be secured as a First Charge on these properties, and will, in addition, be secured as a Charge upon the undertaking of the Company, ranking next after the First Debenture Stock for £1,000,000.

AUDITORS' CERTIFICATE.

"We have examined the books of the Salt Union, Limited, and referred to various documents, and it appears therefrom that certain Freehold and Leasehold Properties, Chattels, Patents and Goodwill acquired therewith agreed to be purchased after the 8th October, 1888, and shown to be still held by the Company, have cost the Company £223,984 11s. 7d. This amount is exclusive of the cost of the acquisition of Distribution Agencies.

COOPER BROTHERS & Co., London, }
HARMOOD BANNER & SON, Liverpool, } *Auditors."*

20th March, 1895.

The security is to be effected by Debentures and Trust Deed. The Trustees will be the Hon. Anthony Lionel George Ashley, Chairman, and the Hon. Charles William Mills, Banker, Lombard Street, E.C., Director of the Company.

The "B" Mortgage Debenture Stock will be issued and transferable in sums of not less than £10 each (corresponding with the transferable amounts of the existing Stock), and will be redeemable at the option of the Company at the rate of £105 per £100 on, or at any time after, the 30th day of June, 1902, upon the Company giving to the registered holders for the time being six months' previous notice in writing of their intention to redeem the same; but the Company may redeem the Stock earlier by purchase in the market or privately.

In allotting the "B" Debenture Stock the Directors will have regard to the following priorities of claim to allotment: (a) The existing Ordinary and Preference Shareholders; (b) the existing Debenture Stock holders; and (c) the Public.

An application will be made to the Stock Exchange for a quotation of the Stock in due course.

A form of application for the Stock accompanies this circular.

The Drafts of the proposed Trust Deed and Debentures, and of the intended Stock Certificate, may be inspected at the Office of Messrs. Ashurst, Morris, Crisp & Co., Solicitors, 17, Throgmorton Avenue, London, E.C.

HEAD OFFICE,

16, EASTCHEAP, LONDON, E.C.

20th March, 1895.

REPORT FOR 1895.

Seventh Annual Report of the Directors for the year ended 31st December, 1895, to be presented at the Seventh Ordinary General Meeting at Winchester House, Old Broad Street, London, on the 27th day of February, 1896.

UNION SALT TRADE IN 1895.—The gross tonnage of salt delivered by the Union in 1895 was 1,217,000 tons.

The depression of 1894 in the large industries in which salt is used for manufacturing purposes was continued through the greater portion of 1895, whereby their demand for salt was considerably reduced.

Coincident with the decrease in general ship tonnage cleared from the salt ports of the country, there has been a decrease also in the shipments of salt.

LITIGATION.—The action commenced by Mr. J. Buckley Deakin, a vendor to the Company, for breaches of agreement with him as a salt distributor, came before the House of Lords in March last. Their Lordships decided one of the questions in favour of the Company, but felt compelled to decide that in the other a breach of the agreement had been committed. This was remitted to the Official Referee for further consideration, and nominal damages of one shilling were awarded Mr. Deakin. Against this decision Mr. Deakin has entered Notice of Appeal in the Courts. The matter being still *sub judice*, your directors are not able to deal with the merits of the case.

DURHAM DISTRICT.—During the year a sum of £14,697 12s. 7d. has been spent in the development of your works in this district, including the provision of loading stages and other shipping facilities. These extensions have, despite the general decrease in the salt trade in the Durham District, enabled the Union to increase its own trade there as compared with that of previous years.

PARLIAMENTARY.—The Bill promoted by the Union, in conjunction with Messrs. Brunner, Mond & Co., Limited, for altering the constitution of the River Weaver Navigation Trust, came before a Committee of the House of Commons in 1895. After hearing evidence the Committee decided to incorporate the Bill promoted by the Weaver Trustees with that of the Union, and the other traders on the Navigation. The Bill, so amended, received the Royal Assent on July 6th, 1895. Under this Act the Union, which is the largest toll-payer on the Navigation, has now some representation on the Trust.

BRINE PUMPING (COMPENSATION FOR SUBSIDENCE) ACT, 1891.—In conjunction with the District Council and other property owners and brine pumpers at Winsford and elsewhere, your directors opposed the Provisional Order Confirmation Bill of 1895, by which Northwich, Winsford, Middlewich and Sandbach would have been joined in one area under one Compensation Board. After an enquiry lasting nine days, a Committee of the House of

Commons amended the Confirmation Bill, and drew a separate district for Northwich. The Bill, as amended, will shortly come before a Committee of the House of Lords.

"B" 4½ PER CENT. MORTGAGE DEBENTURE STOCK.—Your directors have pleasure in stating that the issue in March, 1895, of £200,000 of "B" Stock (part of the £250,000 authorised at the last General Meeting) was duly subscribed and allotted. The premium received thereon, after deducting the expenses of issue, left a balance of £3,286 18s. 11d., which has been applied in reduction of the sum paid for the acquisition of distribution businesses and of covenants with vendors.

BALANCE SHEET.—During the year the sum of £15,587 13s. 4d., expended on new works, has been charged to the general capital account.

PROFIT AND LOSS ACCOUNT.—The amount standing to the credit of this account for salt, brine, carriage, and sundry trading was £276,384 14s. 11d., and from other sources, £37,823 18s. 11d., making the total amount .. £314,208 13 10

After deducting the cost of maintenance of plant, distributors' discounts, agency, and other charges set forth in the Profit and Loss Account, the profits from all sources amount to £162,154 14 0

Add the amount brought forward 10,158 17 11

£172,313 11 11

From this sum deduct the Debenture Stock interest paid on 1st July, 1895, and 1st January, 1896 51,075 0 0

Leaving .. £121,238 11 11

Your directors recommend that Dividends for the year ended 31st December last be declared at the rate of 7 per cent. on the Preference Shares, which will require.. .. £70,000 0 0

And at the rate of 2 per cent. for the year on the Ordinary Shares, which will absorb 40,000 0 0

And that there be carried forward 11,238 11 11

£121,238 11 11

By Order of the Board,

E. C. WICKES,

Secretary.

16, EASTCHEAP,

LONDON, E.C.,

19th February, 1896.

SEVENTH ORDINARY GENERAL MEETING.

The Seventh Ordinary General Meeting of the shareholders in the Salt Union, Limited, was held at Winchester House, Old Broad Street, London, on February 27th, 1896. The Hon. Lionel Ashley, Chairman of the Union, presided.

THE CHAIRMAN'S SPEECH.

The Chairman said : Ladies and gentlemen, I regret I have once more to come before you with a report of the year's working which is disappointing. You will recollect at our last meeting I pointed out that the unsatisfactory results were largely owing to a simultaneous depression both in the Indian business and in the chemical business, two of the principal branches of our trade, and I thought we had a right to expect that the depression in both these branches was not likely to continue. Unfortunately, my forecast was wrong. We have had to contend during the whole year against depressed trade and low prices both in Indian and chemical salt, and we see the result in our diminished profits. You will observe from the report that the salt tonnage in 1895 amounted to 1,217,000 tons, against 1,284,000 in 1894, and 1,240,000 tons in 1893. If we take the Board of Trade returns of exports we see that the quantity of salt exported from this country in 1895 was 741,000 tons, against 759,000 tons in 1894. Some part, therefore, of this decrease in our tonnage in 1895 is due to a general decrease in the salt exports of the country ; the remainder of the decrease is due to a depression in the chemical trade, and the consequent smaller quantity of salt taken by chemical manufacturers. There are also several causes operating to our disadvantage in this industry which I will refer to later on. Of the salt ports in this country, Liverpool is the only port showing an increase in 1895 compared with 1894. This increased salt export from Liverpool is, we think, satisfactory, because it compares with the general decrease of ship tonnage out of Liverpool. The increase in the salt shipments has been 2·29 per cent., while the decrease in ship tonnage out of Liverpool, in 1895, compared with 1894, has been 3·2 per cent. With regard to the Middlesbrough district, although there has been a great decrease in salt exports in 1895, as compared with 1894, it is satisfactory to report that the shipments of salt made by the Union have increased. The trade with the United States, though much less in quantity than ten or twelve years ago, shows some improvement.

FOREIGN MARKETS.

To northern Europe, in spite of severe competition with German manufacturers, we have, owing to the special attention which we have given to this branch, maintained and increased our trade, and it is our hope that this increased business (due, we believe, to the superior quality of our products) will be maintained and improved. In Belgium we have made satisfactory progress during the year. To British North America a somewhat smaller quantity

has been sent. The West Indies and Central South America show signs of revival. Our business in South America will, we hope, increase, as we have during the past few months made tentative arrangements for the promotion of our interests with a gentleman who travels in that part of the American continent as the representative of two or three well-known commercial houses. To Africa there has, unfortunately, been a decrease in tonnage. Africa should naturally be an expanding market, but the fiscal regulations in many parts of that continent prevent that expansion in trade which might be looked for. To Australia also shipments show considerable decrease. We consider, however, that this decrease is temporary, and is due to special causes. The freight market to that continent has been disturbed by various causes, and it has been difficult to get ships for Australia that would carry so low priced an article as salt. We have noticed, however, in that market that good years succeed bad years, so I trust that the bad year 1895 may be followed by a good year in 1896. In India we have been still feeling the effects of the coal strike in 1893. The coal strike paralysed trade generally, and the salt trade in particular, and resulted in diminished shipments. This diminution led to a great increase in the price of salt in Calcutta, so that in 1894 large quantities were shipped from England to adjust the supply; but the high prices in Calcutta in 1893 had caused large quantities of salt to be sent there from all salt producing countries, and therefore the markets were over-stocked and full of inferior salt, both native and foreign, and low prices were obtained. The prices in 1895 ruled so low that shippers have abstained from sending the usual quantity of Liverpool salt to Calcutta. We may hope, however, that the diminution of stock in Calcutta will cause increased shipments of salt this year, and that the ordinary laws of supply and demand will again operate, and that fairly remunerative prices may be obtained. The Calcutta market has been further disorganized, both as to prices and quantities, by the new conditions introduced, owing to the displacement of sailing ships by steamers. To Burmah increased shipments have been made during the year. It has been mentioned at previous meetings that we were keeping in view the possibility of extending our markets in the Far East. Last year we sent a special commissioner with letters of introduction to representatives of official and commercial classes in China, Japan and adjacent countries, taking British Columbia on his way, with the object of developing our trade in the East. We have received various interesting communications from him, and we hope in the course of a few weeks, on his return, to have the benefit of his advice as to further action. The expenses of this mission, as well as other expenses incurred in obtaining information and developing trade, have all been charged to the year just closed.

THE INLAND TRADE.

Our inland trade has been maintained as regards salt for domestic purposes. The prolonged frost of the early part of the year 1895 restricted the demand for agricultural purposes; but if the winter continues to be as mild as it has

been up to the present (until the last one or two days), there will be a demand from agriculturists for what is really the cheapest and best fertiliser. The chief decrease in our trade during the year has been in the supply of salt for manufacturing purposes, and particularly for use in chemical works. In the chemical world, as many of you know, the main object is to obtain the greatest possible product from the decomposition of the smallest quantity of salt. This problem has occupied the attention both of men of science and of manufacturers with considerable results. Our trade has suffered consequently, not only from the decreased demand for chemicals, but from improved processes and new processes in which either less salt is used or in which the manufacture is direct from the brine. These disadvantages have been further aggravated by the policy adopted by the Alkali Union, who have entered into strong competition with us as dealers in salt. We thus find that whilst the demand for our salt for chemical purposes has sunk from 600,000 tons in 1890 to 275,000 tons in 1895—that is a decrease of 325,000 tons—we also have the Alkali Union competing for salt contracts and for orders in the open market. We have always been of opinion that the Alkali Union should confine itself to the chemical trade and the Salt Union to the salt trade, and with this object we have been ready to make contracts with the Alkali Union at what we considered most moderate rates. We regret that this view has not been shared by the Alkali Union, and it appears to us that we must in self-defence utilize all our resources. We cannot sit still while our markets are taken from us, and it may be necessary to carry the war into the enemy's country. We have abundance of brine in this country, and instead of manufacturing salt at low prices for use in chemical works, it will be better for us to use our own salt for the manufacture of the higher priced chemicals. We could start in the chemical branch of the trade with the newest and most improved plant, and we should be free from the burden of any old-fashioned and disused chemical works, and should thus be able to hold our own even in depressed markets. Moreover, whilst chemicals were being sold at less than the cost of production during the great competition between the large chemical firms there was nothing to encourage us to enter into their manufacture, but now there has been a combination of the great chemical producing firms, by which prices are to be maintained on a remunerative level, we have still better prospects of success.

LITIGATION AND FINANCE.

We have during the year been more free from litigation, the only drawback being the action of Mr. Buckley Deakin, which is referred to in the report. I may point out to you that in this suit we are merely defending, and not attacking the interests of others. The expenditure has been forced upon us, and is not of our own choosing. The expenditure on new works during the year amounted to £15,587 13s. 4d. This is mainly due to the development of our properties in Durham, at Port Clarence works. The effect of this expenditure in increasing our trade in that district I have already alluded to, and we consider that we now have in our Durham district some of the best

shipping facilities for salt that exist in the country. The amount appearing in the balance sheet for the acquisition of distribution agencies shows an increase in consequence of some further payments becoming due during the year; but our liability under this head is now much diminished. There is an increase in the amount appearing as "fully-paid shares in other salt trading companies." Our purchase of Corbett's distribution business included the business he carried on in London, and we are now carrying it on under its old name, but converted it for convenience into a limited company. Our stocks of fuel and material have been taken at cost price. During the year we have increased our investments and we have thought it prudent to buy some of our own "B" $4\frac{1}{2}$ per cent. debenture stock. Our craft and rolling stock appear at about the same figure as in the balance sheet for 1894, but we have during the seven years written off £16,250 in depreciation. During the same period we have spent £87,000 in improving and repairing the craft, and have spent £117,200 in waggon and van repair, so that on these two assets, which originally appeared in our first balance sheet at £325,000, we have spent in seven years £204,200 out of revenue, or 62 per cent. of the original cost. The amount that appears in the balance sheet "Accounts to be received from abroad," is chiefly in connection with the depot system which we are now testing in India. As you probably know, Bengal is the only Presidency in the whole of India, Burmah excluded, in which English salt has any foothold. In the Bombay Presidency, in the whole of Northern India, in Madras, and in all Southern India the native consumers are content with inferior salt, sun-evaporated, either from the lakes or the sea-board. Not a ton of English salt is imported into the whole of these vast territories. . . . We are working at these depots tentatively and gradually, and we have every reason to hope that the results will be to maintain and even increase our trade. Our cash position you will see has very considerably improved. The cash at the bankers on current and deposit accounts and in hand amounted to £153,938, as against £41,827 in 1894. This is of course largely due to the fact that by the issue of the "B" debenture stock we were able to put our financial position more in order and to repay to our working capital some of the amount that had been spent for the acquisition of further properties and businesses, as has been reported from time to time. It will be seen in reference to the profit and loss account that the total sum standing to credit is only £5,000 less than the amount in 1894. We have had to contend with low prices both at home and abroad, but our profit in that direction has been well maintained, and we have considerably increased our operations as river and canal carriers. The various important questions which have arisen as to railway sidings, and as to wastages, and as to the rates under the Railway and Canal Act of 1892, are still being considered by the railway companies and ourselves in a friendly manner. We had, of course, to protect our legal position by lodging complaints with the Board of Trade and by taking action in the Railway and Canal Commission Court; but we trust that the negotiations we have in hand will result in an amicable settlement, without our having to trouble the Board of Trade or the Railway Commission Court.

On the debit side of the profit and loss account you will see we have during the year spent no less than £47,997 in maintenance of plant. The productive power of our plant has been fully maintained during the last seven years. This we consider due to the fact that we have very considerably improved the working plant of the Company? We have during seven years spent £379,000 in maintaining and improving our plant and works. You will thus see that it is not true, as has been alleged, that our plant has been much neglected in former years; and we deny, on the other hand, that our expenditure on plant is too large, and we look upon money so spent as the best form of provision against depreciation. The administration expenses show an increase compared with the previous year. As before stated, this amount is charged with all the expenses incurred for development of trade, such as advertising, exhibiting, and special missions abroad. In addition, this account includes some of the expense of managing our large distributing businesses. In 1890, when the Union had no share of distribution in the Cheshire and Worcestershire districts, the amount charged for administration was £31,303, that is only £1,400 less than the amount charged in 1895. Several of the other items, such as rents and royalties, have been, and must in the nature of things be, fairly constant; but I regret to say the amount charged to us for rates and taxes has this year exceeded the charge of any previous year. I have before pointed out how we suffer from the modern political doctrine that taxation and representation do not go together. During the last seven years we have paid, apart from income tax on dividends, rates and taxes, an amount of £47,366. The law and parliamentary expenses show unfortunately an increase compared with 1894. A portion of the expenses of the Deakin suit has had to be borne in the year 1895.

THE PROVISIONAL ORDER BILL.

We also had during the year to share the cost of an inquiry by a Parliamentary Committee into a Provisional Order Bill which the Local Government Board introduced. In this Bill the whole of the important salt district of Cheshire was combined in one compensation area. We had to appear once more before the Committee in order to demonstrate that we ought not to be made to pay for damage done by other brine pumpers. Our efforts were to a large extent successful. At all events, we convinced the Committee that our large brine pumping in Winsford could not do any damage in Northwich. The Bill was amended by the Committee, and will shortly come before the House of Lords, and we are carefully considering what amendments we should suggest to a Committee of that House. You will see in the report that, in conjunction with Brunner, Mond & Co., we introduced a Bill into Parliament for the re-constitution of the Weaver Trust. A Bill in which ours was incorporated became law. Our expenses were charged by the Committee on the Weaver Trust funds, and I am glad to say that we have at last some representation on the trust of that important navigation. The two directors who offer themselves for re-election are Mr. Herman John Falk and Mr. Walter Robinson. The Board would be glad to take this

opportunity of expressing their appreciation of the services rendered by those gentlemen. They have the interest of the Union at heart, and their assistance has been most valuable. I may also express our sense of the obligation we are under to Mr. Fells, our general manager, Mr. Wickes, our secretary, and the rest of our staff for their zealous and able support. Now, ladies and gentlemen, I have finished my review of the year's working. . . . We shall continue to give attention to new markets, branches of trade, and various methods of cheapening production, and we hope by utilizing to a greater extent our works nearest to Liverpool to save some portion of the heavy tolls charged on the Weaver traffic. We also hope that fuel will be cheap. Generally, you may rest assured that no efforts on our part will be wanting to make the year 1896 better than the year 1895. I have now to move, "That the report of the directors for the year ending 31st December, 1895, and the statement of accounts and balance sheet now submitted be received and adopted."

THE QUESTION OF LAW COSTS.

Mr. H. O. Evans : I should like to ask how we are getting into all this litigation and law costs.

The Chairman : I may point out to you, without losing any time, that every law suit we have been engaged in has been brought against us, except Mr. Corbett's, so that we have had no option but to defend ourselves. It is not actions we have brought against other people, but actions brought against us, and therefore, we were bound, in the interests of the shareholders, to defend ourselves.

Mr. H. O. Evans : My point is—how do we get into all these litigations ?

The Chairman : Because there were so many cantankerous people who wanted to get the best of us. The original covenants with vendors have been the most prolific source of dispute, and, I suppose, never were covenants so ingeniously framed as to cause law suits.

Mr. Kettle : In the assets appears the item, "Fully paid shares in other salt trading companies." Is this amount at par value, or market value, and what percentage on an average do we get from this investment ?

The Chairman : I may say at once they are par value. Many of them are not quoted on the Stock Exchange, and therefore there is no question of a market price ; but I think all these subsidiary companies, which are really distributing companies or manufacturing companies, have shown satisfactory returns. Anyhow, they were things that were bought—one particularly, the Droitwich Salt Company, was bought by the promoters—bought in the lump. It is not a purchase. The Marston Hall, I think, we did buy ; the others were bought by the promoters and lumped up in the original sum given for all the properties. We have kept on the form of a limited company, because on account of certain leases it was more convenient that the Company should not be extinguished. But to all practical purposes

they are the Salt Union ; no one has shares in them except ourselves. We hold all the shares.

Mr. Giles : Last year we heard that the action against Mr. Corbett had been successful, and that we were now distributing the salt in the Worcester-shire district. I want to know whether the result of that has been any loss of trade in regard to the home trade of the Salt Union ; whether, in other words, Mr. Corbett has been able to establish a trade of his own to the detriment of the Salt Union ?

The Chairman : He is not allowed to : he is bound not to trade.

THE REDUCTION OF EXPENSES.

Dr. McDougall : Would you mind telling us how many, who are wholly in the employ of the Salt Union, have been elected on the Weaver Trust, and how much of their time is taken up with trust work, and whether any of the expenses are paid by this Company ? You say that the covenants from vendors to this Company were very ingeniously framed. Would you mind telling us who framed those covenants, and who reviewed them afterwards, and whether the covenants were reviewed before the prospectus of the Company was issued ? Will you tell us also whether you have come to any terms of agreement with the Castner-Kellner Company at Weston Point ? It may be some encouragement to some shareholders who are not familiar with that part of the world to know something about it. Will you also tell us whether you yourselves propose to take steps to establish chemical works on that very excellent site ? There is one point that is disturbing a good many people, and that is, that the expenditure of the Company is so very much out of proportion to revenue, and I should like to ask whether there will be any effort on the part of the directors to apply the pruning knife, as other large companies are doing at the present time in all directions, in order that this may be brought down to what financial people consider reasonable expenses in connection with the working of a company.

The Chairman : With regard to Dr. McDougall's question, I may say that there are six trustees of the Weaver solely employed by the Union, but their expenses are paid out of the Weaver funds. As to the Castner-Kellner Company, we have arranged with that company. As regards chemicals, if we go into that we have plan and estimates before us, and I think we shall probably avail ourselves of Weston Point. With reference to what Dr. McDougall says about the reduction of expenses, I cordially agree with him in advocating every possible economy, and I think you may rest assured that that will be our aim in every way. Of course you recollect that an enormous concern like this necessarily requires a big staff, and that if it is not properly served you may lose more than you gain by cutting down a certain number of salaries. This is an enormous business, and the number of works, the number of offices, and the number of branches necessarily require a large staff. If the trade was good the question of the reduction of the expenses would not be so serious. I agree that in regard to these items every possible

economy ought to be enforced, and I think we may say that at this moment we are making salt more cheaply than it has ever been made before, and our aim will be, as it has been in the past, to effect every economy in order to cut our coat according to our cloth, and try to make things better.

The resolution was then put and unanimously adopted.

The Chairman : The response which the shareholders have given us as regards our plan for going into chemicals will give us fresh courage to persevere. We shall not go into it without thought and in a hurry, but the more we consider it the more we think it necessary, and we shall have the greater courage in going into it when we feel that we are supported by a majority of the shareholders.

REPORT FOR 1896.

Eighth Annual Report of the Directors for the year ended 31st December, 1896, to be presented at the Eighth Ordinary General Meeting at Winchester House, Old Broad Street, London, on the 26th day of February, 1897.

UNION SALT TRADE IN 1896.—The aggregate tonnage delivered by the Union in 1896 was 1,066,600 tons. During the year there has been a further decrease in the quantity of salt required for the manufacture of chemicals. There has also been a considerable reduction in the export trade, owing to an abnormal demand for freight room in ocean-going vessels for commodities which could bear higher freights than salt. This has been specially the case with India, considerable quantities of railway material having been shipped to Indian Ports for the development of railways.

PARLIAMENTARY.—

(a) *Compensation for Subsidence.* The new Provisional Order made by the Local Government Board, under the Act of 1891, as amended by a Committee of the House of Commons, was confirmed by Parliament in 1896. A Compensation Board has now been formed of nine members, three of whom have been elected by the Brine Pumpers, three by the Northwich Urban and Rural Councils, and three by the Cheshire County Council. The maximum rate leviable is threepence per thousand gallons of brine pumped annually within the Northwich compensation area.

(b) *River Weaver Navigation Bill, 1896.* It was deemed necessary for the protection of your interests, as the largest traders on this navigation, to oppose some of the financial and other provisions of this Bill. Certain modifications therein were obtained, with a clause for settling an outstanding claim to compensation in respect of your Newbridge Salt Works simultaneously with the execution of the works authorised by the Weaver Act of 1893 for improving the navigation between Winsford and Northwich.

(c) *Manchester Ship Canal Bill, 1896.* Under this Bill power was sought to close certain Tidal Openings in the Canal, thus prejudicing the rights secured by the Act of 1885 to the salt trade coming down the Weaver, and imposing a permanent burden on the Union without compensation. In these circumstances your directors endeavoured to negotiate for a clause safeguarding your interests, but without success, and as the Committee of the House of Commons rejected the clause proposed by the Union, the Bill was further opposed in the House of Lords and eventually the protective clause was obtained.

DEAKIN *v.* SALT UNION.—The action which was begun in 1891 by Mr. J. Buckley Deakin, a vendor to the Company, for alleged breaches of

agreement with him as a salt distributor, has, during the last year, again been before the courts. The Court of Appeal has confirmed upon all points the finding of the Official Referee, who, as previously reported, awarded Mr. Deakin nominal damages of 1/- The Court of Appeal also ordered Mr. Deakin to pay the Union's costs in connection with the assessment of damages. Mr. Deakin has appealed to the House of Lords against this decision.

UTILIZATION OF PLANT AND BUILDINGS.—By reason of the continued depression of the salt industry, some of the plant, buildings, machinery, rolling stock, and craft have been otherwise utilized, with the object of affording additional sources of profit to the Union.

BALANCE SHEET.—During the year the sum of £10,971 10s. 10d., expended on new works, has been charged to the general capital account.

PROFIT AND LOSS ACCOUNT.—The amount standing to the credit of this account for salt, brine, carriage, and sundry trading was £256,343 8s. 10d., and from other sources, £39,534 16s. 9d., making the total amount .. £295,868 5 7

After deducting the cost of maintenance of plant, distributors' discounts, agency, and other charges set forth in the Profit and Loss Account, the profits from all sources amount to £145,292 12 5

Add the amount brought forward 11,238 11 11

£156,531 4 4

Deduct the Debenture Stock interest paid on 1st July, 1896, and 1st January, 1897 £54,000 0 0

Leaving .. £102,531 4 4

Your directors recommend that dividends for the year ended 31st December last be declared at the rate of 7 per cent. on the Preference Shares, which will require.. .. £70,000 0 0

And at the rate of 1 per cent. for the year on the Ordinary Shares, which will absorb 20,000 0 0

And that there be carried forward 12,531 4 4

£102,531 4 4

By Order of the Board,

E. C. WICKES,

Secretary.

16, EASTCHEAP,

LONDON, E.C.,

18th February, 1897.

EIGHTH ORDINARY GENERAL MEETING.

The Eighth Ordinary General Meeting of the shareholders in the Salt Union, Limited, was held at Winchester House, Old Broad Street, London, on February 26th. The Hon. Lionel Ashley, Chairman of the Board of Directors, presided.

THE CHAIRMAN'S ADDRESS.

The Chairman : I regret that the report we have to lay before you of this eighth year of the Company's working is again of an unsatisfactory character, both as regards tonnage sold and the general average of prices. Taking the salt trade of the country during the past two years, those who have watched the monthly figures issued by the Board of Trade will not be surprised to learn that the tonnage of salt exported shows a decrease of 80,000 tons in 1896 as compared with 1895. To the United States there has been a decreased export of 36,000 tons owing, doubtless, to political uncertainties. There was, however, an increase in 1895 ; and the figures for 1896, though less than 1895, are 16,000 tons more than those for 1894. To Africa there has also been a decreased export. The fiscal relations which prevail in certain parts of that continent continue to prevent expansion in trade. You will recollect that last year I expressed the hope that the shipments to Australia, which showed a considerable decrease in 1895, would improve in 1896 ; and to some extent this has been the case, as they have increased by 2,000 tons. This improvement would, no doubt, have been greater if there had not been special freight difficulties, which I will mention later on. Germany, Russia, Finland, and Belgium show decreases during the year. In these districts, and particularly in Belgium, German competition is very severe. In Germany, as I daresay you know, there are many excellent

INLAND WATERWAYS

which give easy and cheap access for German salt products to neighbouring countries. The tolls on these inland waterways are much less than in England ; and the aim of the State is to make the waterways, like highways, free of access and free of toll. The cost of maintenance of these waterways is made more a charge on the locality than on the manufacturers who use them. This is a very different policy from that which regulates the canals in Cheshire, where it is the manufacturer who maintains not only the canals but maintains the locality. For the first time for several years salt

SHIPMENTS FROM LIVERPOOL

have not followed the increase or decrease of ship tonnage out of Liverpool. There was a decided improvement this year in many industries, and increased demand from abroad for commodities. The salt trade is, as you are aware, a ballast trade, and the rate of freight that can be paid on salt is necessarily

smaller than that on commodities of greater value. The effect of this increased demand for valuable commodities has been to increase the demand for freight-room ; and this combined with what the President of the Chamber of Shipping has aptly termed "misplacement of tonnage" has caused an increase in the rates of freight. Vessels that could obtain better rates for other goods have naturally not carried salt. Some vessels have returned to this country to meet the demand for freight, and rates have, in consequence, somewhat diminished. We shall doubtless reap the benefit of this during the current year. In fact, the tonnage chartered from the beginning of this year for our Indian market is already in excess of the tonnage chartered in a similar period during the last two or three years. The difficulty of obtaining tonnage for our Indian trade has been further increased by the shipment of a large quantity of railway material to India during the year. But although the quantity of salt sent in 1896 has been less by 46,000 tons, the prices realized have been much more remunerative. We must expect that these prices will not be maintained, as we hope to be able to ship increased tonnage, but we may anticipate that the decrease in the price will be made up by the larger quantity sold. We have made further progress with the establishment of

DISTRIBUTING DEPOTS

in various Indian districts, thus bringing English salt to the customers' doors, and preventing the adulteration of our product with inferior salts. These inferior salts have, as we have mentioned before, made considerable progress in India ; but we hope by establishing these depots to retain and increase our hold of the market. I may mention in this connection that as our interests in India are so extensive we have thought it only fitting to subscribe in Calcutta, in the name of the Company, 2,000 rupees (about £125) to the Indian Famine Fund.

AMERICAN AND OTHER MARKETS.

Amidst this general decrease, due mainly to scarcity and dearness of freight, we can record a slight increase in British North American trade. Some 2,500 tons in excess of the quantity exported in 1895 were shipped there in 1896. I mentioned last year that the West Indies and South America showed signs of revival, and that we had arranged to send a traveller to represent our interests. There has been during the year an increase in these exports, which is encouraging. The trade to Sweden and Norway is stationary ; but the shipments to Denmark have increased. We hope that the development there of the dairy industry will cause an increased demand for our special brands of salt, which are unequalled for dairy purposes. There was also a small increase in the trade to Iceland and the Faroe Islands. We have carefully kept in view the possible extension of our markets in the Far East. In Japan we hope that the progressive habits of the people, and their desire to have the purest and best products, will increase our trade, but it will be the work of time. In China the vested interests of those

engaged in the salt trade are exceedingly difficult to overcome. You will recollect that I told you last year that we had sent

A SPECIAL COMMISSIONER

to China as well as to India, Japan and British Columbia, with the object of developing our trade. We have endeavoured to show to the authorities in China that the revenue of that country might be improved and the salt tax more easily collected by the admission of salt at a reasonable rate of duty. We have not yet succeeded in obtaining a change of policy, but we keep on in the endeavour to convert those who ultimately control these matters. Our

DOMESTIC INLAND TRADE

has, during the year, been not only well maintained, but has shown some improvement, though the prices have been low. But there has been still further diminution in the quantity of salt required for the manufacture of chemicals. As we have pointed out in previous years, the decrease is caused not only by the depressed condition of the chemical industry, but also by economies practised in the manufacture of chemicals, by which the quantity of salt required for each ton of chemical product has been considerably reduced. Moreover, the quantity of solid salt used in chemical manufacture is now less than the quantity of brine used for the same manufacture. Mr. Fletcher, lately the chief alkali inspector, recently stated at a meeting of the Society of Chemical Industry that in 1880 the amount of solid salt decomposed for making alkali was 648,587 tons, but in 1895 the amount was only 408,173 tons. During the same period the amount of salt-brine decomposed by the ammonia soda process had increased from 27,416 tons to 428,614 tons, so that we have really had to face a revolution in

THE CHEMICAL SALT TRADE.

In consequence of the state of things the utilization of our own brine for the manufacture of chemicals by ourselves is, as I told you last year, a most important question for us ; and we have during the year given it our constant and careful attention. We have not yet, however, started the manufacture of chemicals. Prices in this trade have ruled very low, in spite of the combination of firms announced last year. And we have not yet satisfied ourselves that any one of the processes submitted to us is so superior in the economy of production as to justify our taking it up. Several patents and processes have been and are before us ; and we shall not hesitate to make a start when we see reasonable grounds for anticipating success. You will see in

THE BALANCE SHEET

that during the year the expenditure on new works has been £10,971 10s. 10d. This expenditure has been mainly for the development of our properties at Middlesbrough. It has been a satisfactory feature of our year's trading that our sales in that district have increased, and the sums spent in accordance with the original agreements under which we acquired the property have

much improved our position there. We enjoy advantages at Middlesbrough which unfortunately we do not possess in Liverpool. Our works are on the sea-board ; we are saved the cost of transit down the Weaver, and the dues are only 1d. per ton on the Tees, instead of 3d. per ton at Liverpool. We have to thank the Chamber of Commerce and other trading bodies in Liverpool for having assisted us in pointing out to the Mersey Dock and Harbour Board the necessity of revising the dock and town dues, at any rate as regards salt. The due of 3d. applies to all classes of salt, and its incidence on cheaper qualities is really oppressive. The amount for the acquisition of distribution agencies and covenants with vendors has been slightly increased by the payments due in 1896. The more we see of the business the more convinced we are that the acquisition of these agencies and covenants was wise. I do not think it would have been possible for us to-day to have proposed to you even a modest 1 per cent. dividend on the ordinary shares if we had not obtained profits as salt merchants as well as manufacturers. Our steamers and barges and our rolling stock appear in the balance sheet at about £1,000 less than in 1895. During eight years we have written off £17,500 in depreciation. We have spent £98,000 in improving and repairing our craft, and £132,750 in waggon and van repairs. So that on these two assets, which appeared in the first balance sheet at a cost value of £325,000, we have spent in eight years £248,250 out of revenue, or 76 per cent. of the original cost. The stocks of salt show some increase in 1896 as compared with 1895. The valuation of these stocks is at cost price, and we think there is an advantage in holding good and sufficient stocks to meet any demand that may arise. Our cash at the bankers and in hand is rather less than last year, owing to the fact that payments for freight have been heavier and that the stocks are larger. These payments will, of course, be recouped when the cargoes are realized. The gross profit on salt, brine, carriage and sundry trading shows a decrease of £20,000 compared with 1895. This decrease is due to the largely diminished sales to which I have referred, and also to the low prices which have ruled in the home trade, and in some foreign markets. We cannot, of course, create artificially a demand for salt, nor can we disregard the price at which our competitors at home and abroad are prepared to sell their products. If you refer to the debit side of the profit and loss account you will see that we have during the year spent £46,739 in maintaining and improving our plant. The total amount that we have spent in this item of maintenance alone during eight years is £425,700. Our working plant is all in first-class condition, and in many respects has been considerably improved. Administration expenses show a slight decrease compared with 1895. The diminution in the amount of distributors' discounts and agency charges is due to the fact that we are year by year doing more direct trading. Rates and taxes show a small decrease, which is satisfactory, as there has hitherto been a constant tendency to increase. You will observe in the law charges an item of £1,272 9s. 10d. charged against

THE DEAKIN CASE.

It is with regret that we have had to incur this expenditure, but we have

been defendants and not plaintiffs in this matter. We have resisted a claim for £50,000, and the decision of the courts as it at present stands awards Mr. Deakin the sum of 1/- as nominal damages. Our views regarding an expenditure thus forced upon us had better not be expressed till the House of Lords has decided the appeal which Mr. Deakin has brought. We had during the year to appear before a committee of the House of Lords in reference to

THE BRINE PUMPING PROVISIONAL ORDER BILL.

The House of Lords, however, passed the Bill as amended by the House of Commons, and we have now, in common with other brine pumpers in the Northwich district, to pay a rate not exceeding 3d. per thousand gallons as compensation, as the Board for the district may order. We shall, of course, feel justified in not making within this district any salt that we can conveniently and economically make outside of it. The days are past when the rate of 3d. per 1,000 gallons would not appreciably affect the margin of profit on salt. I trust that in future years the wisdom and discretion of the Brine Pumping Board and the gradual enlightenment of the residents will arrange that the rate shall not be excessive. But it is our duty to economise in all ways that are open to us, and there will be necessarily some transfers of production from taxing to non-taxing areas. The Bill is peculiarly unfair to us, for we are the largest sufferers by subsidence in Northwich. The Act as passed gives no redress to the pumper whose property may be pumped down by other pumpers. So we pay and do not get paid.

SHIP CANAL AND RIVER WEAVER.

With regard to the cost in connection with the Manchester Ship Canal Bill, we have thought it right to debit this year's accounts with the whole cost of securing the protective clause referred to in the report. As to the Weaver Bill, we are glad that the costs for obtaining the amendments deemed necessary have not been very heavy. We hope the Weaver Trustees will now see their way to carry out the long deferred improvements between Northwich and Winsford. These improvements will be of great advantage to the whole district, and the Weaver Trustees will, we hope, be convinced that their revenue can best be maintained by providing good accommodation and facilities for traders at a rate of toll which will not handicap trade in Cheshire. We have by arrangements made with the Mersey, Weaver and Ship Canal Carrying Company considerably increased the tonnage of goods carried up and down the Weaver. In this way we have utilised to greater advantage many of our craft, and we are in other directions utilising some of our plant, machinery and buildings. We have also made use of our travelling organisations for the sale of various commodities required by our customers.

ESTABLISHMENT OF A SOAP MANUFACTORY.

For some little time we have been selling a soap that has been specially prepared for us for use with hard water, or with salt water, and our trade in it has so increased that we have commenced the erection of soap works on

one of our freehold sites in Winsford. This, we trust, in future years will be a good source of profit.

THE RETIRING DIRECTORS.

The two directors who retire by rotation and offer themselves for re-election are Mr. Baring-Gould and myself. I may also say as regards Mr. Baring-Gould that the Board greatly appreciate the valuable assistance they have received from him and the constant attention that he has given to the interests of the Union. The Board wish also to speak highly of the zealous and able support which they have received from the general manager, the secretary, and all the staff. . . .

PREPARED FOR A REVIVAL OF TRADE.

Well, gentlemen, as regards the future, my hopes have been so long deferred that I think I had better make no anticipations. I can only say that if the salt trade generally should revive, as it has done before, the Union is in a better position than ever to take advantage of it. We can make better salt than any of our competitors, and can supply it with far greater facilities. Some further economies in production will, we believe, shortly become possible. There seems a probability of prices in Calcutta continuing at a reasonable though not at an inflated figure. We anticipate that some of our legal difficulties will be removed during the year; and we have fortunately no Bills to promote or to oppose this year in Parliament. We shall do our best to arrest the decline in our salt trade profits, and to create any other branches of trade that may show promise of success.

THE EXPENDITURE ON NEW WORKS.

Mr. Jeffries: I will not trouble you with many remarks. You have explained that your business has considerably lessened and you have placed before us in the balance sheet one item of £10,971 for expenditure on new works during the year. It strikes me as somewhat singular that you should be spending so much with a decreased business, especially as in the report you tell us that in consequence of the continued depression of your salt business you are trying to utilise certain parts of your plant and rolling stock for other purposes. Those facts do not seem to me to join very smoothly with each other, and perhaps you can explain and show why you are spending so much money on new plant with a decreased business, whilst you are trying to utilise other parts of the property which you have been using for business purposes.

THE LAW EXPENSES.

Mr. Griffiths: I find that although the business is decreasing our expenses are increasing. But as that matter has been already referred to I will merely call attention to the other item. Law expenses do certainly seem not on a very economical scale. It is usual for the unsuccessful party to have to pay the successful party's costs. I have found that in my own experience with the law, and I can hardly make out how it is that we have an item against us

of upwards of £1,200 of these costs. Of course the judges have great discretion, and they may have given a shilling damages and yet stated that both parties must pay their own costs. That is not satisfactory. So far as things go it does appear that Mr. Deakin is in the wrong. If he is in the wrong he ought to bear the costs. But that may be a matter beyond our control. I pass on to the next item, viz., the large amount of Parliamentary expenses. I do hope that the economies which you, sir, say are being practised in other parts of the business will be extended to that part. The sum of £4,000 for one bill does seem somewhat large.

SUGGESTED REMOVAL OF THE HEADQUARTERS.

Mr. W. S. McDowell: I think at one of the earlier meetings, sir, you were asked if it would not be better to move the headquarters of the Salt Union from London to Liverpool, and at that time I believe, if I remember correctly, you said that you thought it would be wise at some future time to do so, but at the time you were asked you had so many things to attend to in London that you could probably attend to them better by having the Board here. I live in Liverpool; I am in connection with the salt trade, and I know some little of its working—Liverpool seems to me to be the natural centre of the salt trade. . . . I wish we could get a few more such Liverpool men to join us, making Liverpool the central office, and, if necessary, either keep on the present London Board or reduce them as and when the London directors feel inclined to retire.

QUESTIONS BY DR. MCDUGALL.

Dr. McDougall: With regard to the United Alkali Company's contract, I should be glad to know whether that contract has run out, and whether there is any likelihood of a new contract being made upon improved lines, or whether the old contract is to be left in abeyance? With regard to soap, you have told us that you are going to start works at Winsford. I think the shareholders would be interested to know whether it would not be possible to have those works established where the cost of production would be considerably less, and where the cost of tonnage up the Weaver would be saved? Perhaps you will tell us what is the difference in point of saving on the manufactured article between Weston Point and Winsford? With regard to the Executive Committee, which meets so often in Liverpool—(and this perhaps would meet Mr. McDowell's objection)—I should like to ask if they act on behalf of the directors, or are they merely a consulting committee, because if that is so, I should have something else to say.

I think the most serious objection is that which has been made by Mr. McDowell, and I should be glad to hear from him whether there is any truth in this or not—because I know Mr. McDowell came here once before to stir the meeting, and he did stir it pretty well—whether it is the fact that gentlemen in business in Liverpool are ten days without being able to have an interview with the general manager of the Company?

Mr. McDowell : Longer at times, unless you communicate by telegraph or letter, which is not always satisfactory.

Dr. McDougall : I wish to say something with regard to the appointment of a deputy general manager. I think it is a very important question indeed, because when Mr. Fells is in Liverpool, his deputy might be doing his work. The deputy should be one of the best men that could possibly be found, and should not be appointed from favouritism or any other reason. With regard to the soap business, I intended to ask how many tons you considered would be produced per week, but I do not think it would be a fair question, and, therefore, I will not put it. With regard to outsiders, I understand they are the people who are damaging the salt business up and down the country. The question for the Salt Union directors to consider is whether they could not suspend the payment of dividends upon the preference and ordinary shares altogether, and give them two or three years of a pretty hot time at reduced prices. If they are going to undersell in salt, which is a very mean and contemptible thing to do at the best of times, then I think there is a possibility that the shareholders in the Salt Union may feel disposed to be deprived of their dividends, in order that the property may improve in this way, by meeting them on their own ground. However, probably wiser counsels will prevail and they will be willing to come in to share, at any rate somewhat, in the losses, for after all is said and done, they have made all their money under the wings of the Salt Union. If the Salt Union had not come into existence many of them would not be salt-owners to-day.

THE UNION HEAVILY HANDICAPPED.

Mr. Jarrett : I suppose I am only one among a number of shareholders who are not satisfied with this balance sheet. The dividend from year to year has decreased, and now you propose to pay 1 per cent. ; next year what will it be— $\frac{1}{2}$ or nothing ?

THE CHAIRMAN'S REPLY.

The Chairman : As regards what Mr. Jeffries said as to the expenditure on new works during the year, I think he must see that although one is anxious to economise in every way when business is bad, yet it would be a fatal thing not to endeavour to improve our property if we saw that by spending a certain amount of money it would considerably increase the value of that property, and possibly next year would bring a very considerable addition to the income. With regard to this expenditure of £10,000 on new works, I told you in my opening speech it was spent upon our property in Middlesbrough, where we have made a new pier, or new wharf, which enables ships of large tonnage to come alongside and receive our salt, and therefore we save money in shipping the salt, and we get further orders because we are able to deliver the salt with such extraordinary facility. So that I think it is an expenditure justified, even when we have a diminishing income. Then with regard to Mr. Griffith, I quite agree that these law expenses are a sad necessity, and they happen to be specially great this year. But as regards what he said on the question of costs, he must know, as a lawyer, that even

if you get costs, they do not amount at all to what you have spent. . . . I should like to say with regard to that large Parliamentary expense which you will see pointed out under the head of "Brine Pumping Compensation Act and Provision (Northwich area) £3,000," that that is not all law expenses. That is partly a provision we have made for any compensation we may have to pay this year. We put aside about £1,300 for the period which has elapsed in regard to the sum we may have to pay for compensation under the new Provisional Order. That provision is not law expenses. That is a prudent provision for what we may have to pay this year. As regards what Mr. McDowell said of moving the headquarters to Liverpool, it is perfectly true that it is a question that has been raised several times before, and I have agreed that in some ways I think it might be to the advantage of the Company to have its headquarters in Liverpool, but in other ways I think it would not. I think that a very considerable amount of business that is carried on from London is better done in the London office. In fact, I think it will be necessary for us anyhow to have a London office. . . . I may tell you a very considerable amount of the business has shifted from London to Liverpool in the natural course of things, and the Executive Committee, to which Dr. McDougall referred, does transact a very considerable amount of the business of the Company. I think there is a trend that way, and in consequence we have effected economies in the London office, and we hope to effect further, but I do not think we are prepared to admit that the office should be transferred altogether.

Mr. Ward : I do hope, judging from all past experiences—and mine has been a very long one in connection with the trade—that we have arrived at the bottom of the depression, and that there is a probability we shall begin to ascend, instead of going any lower. I think if it had not been for the East Indian crisis, and the question of freights, we should have been doing better last year. I have seen a great many of these depressions in times past, and I think all the signs are that there is a probability we have touched the bottom, and shall be going up again.

REPORT FOR 1897.

Ninth Annual Report of the Directors for the year ended 31st December, 1897, to be presented to the Shareholders at the Ninth Ordinary General Meeting at Winchester House, Old Broad Street, London, on the 28th day of February, 1898.

UNION'S SALT TRADE IN 1897.—The tonnage of salt delivered by the Union in 1897 was 1,014,000 tons. The continued decline in the demand for manufactured salt in the chemical and allied industries, and the imposition and re-imposition of fiscal duties in countries to which British salt is exported, have increased the competition amongst the salt manufacturers in the United Kingdom, rendering decrease in tonnage coincident with decrease in price. The rise in the rates of freight for sea-borne salt which took place in the autumn of 1896 continued during a great part of 1897, and thus further limited the profits derivable from the sale and consignment of salt. This effect was particularly noticeable in the Indian market, which was also adversely affected during the year by war, famine and plague. The fishing on the east coast of Scotland and on various parts of the English coast was much less successful than usual, causing considerable decline in the quantity of salt used for fish curing purposes.

DEAKIN *v.* SALT UNION.—Your directors are glad to be able to report the conclusion of this prolonged litigation, which was begun by Mr. Deakin in 1891. The judgment of the Official Referee, awarding Mr. Deakin 1/- damages, was confirmed by the House of Lords in May last. In addition to the first action, Mr. Deakin had commenced in 1892 a second action, claiming continuing damages for the same and other alleged breaches. After the House of Lords' Judgment, an arrangement was come to with Mr. Deakin in October last, by which, for a small consideration, he surrendered his trading and other covenants, trade marks, brands, and the goodwill of his distribution business to the Union. The directors regret the loss of time and the trouble and expense which these actions involved, but the very large sums which Mr. Deakin claimed rendered any compromise impossible. The Judgment referred to has justified the defence by the Company.

SALT UNION *v.* HARVEY.—MESSRS. J. P. HARVEY & CO., Salt Manufacturers, Droitwich, having without consent of, or notice to, the Union, laid pipes for the conveyance of brine under roads of which the subsoil belonged to the Union, the Board applied for and obtained an injunction to restrain Messrs. Harvey from using these pipes, also an order for their removal, with costs against Messrs. Harvey. Owing to the case involving questions of ancient Corporate title, the expense to be borne by the Union, apart from the taxed costs, was very heavy.

SOAP AND CHEMICALS.—The completion of the Union's plant for manufacturing Soap for Household and Toilet purposes was delayed by the Engineering Strike, but it is now in operation. The same cause has retarded the trial which is being made with an Electrolytic process for the production of Caustic Soda and Bleach, the tests of which give indications of success.

COMMITTEE OF SHAREHOLDERS.—A Committee representing some of the largest shareholders have issued a circular advocating the removal of the Head Office to Liverpool, and have given notice of a resolution, to be moved at the General Meeting. The question has been raised at previous General Meetings, and the Board have always declared that the decision rested with the shareholders. A printed slip is attached to the proxy enclosed, and the shareholders are requested to write on it "Yes" or "No" to the proposed removal.

The Board desire to point out that for some years past the Union have had a large office at Liverpool, where all the export business of the Union from the Mersey is carried on. If the majority of the shareholders approve of the removal, the Board will proceed, in consultation with any Committee appointed by the shareholders, to carry out the proposed change; and will at a Special Meeting of the shareholders, to be called for the purpose, submit the names of the new directors to be nominated to fill the places of the London directors who will retire, as opportunity serves, in consequence of the alteration of the place of the Board meetings.

BALANCE SHEET.—During the year the sum of £7,888 19s. 2d., expended on new works, has been charged to the General Capital Account.

PROFIT AND LOSS ACCOUNT.—The amount standing to the credit of this account for salt, brine, carriage and sundry trading was £169,795 19s. 9d., and from other sources, £40,693 1s. 3d., making the total amount.. .. £210,489 1 0

After deducting the cost of maintenance of plant, distributors' discounts, agency, and other charges set forth in the Profit and Loss Account, the profits from all sources amount to £66,822 19 10

Deduct the debenture stock interest paid on 1st July, 1897, and 1st January, 1898 54,000 0 0

£12,822 19 10

Add the amount brought forward 12,531 4 4

Leaving £25,354 4 2

	Total Profit ..	£25,354 4 2
Your directors recommend that a dividend for the year ended 31st December last be declared at the rate of 1¼ per cent. on the Preference Shares, which will require..		
		£12,500 0 0
That, in addition to £3,500 this year, there be further written off acquisition of distribution agencies and covenants with vendors		
		322 19 10
		<hr/>
		12,822 19 10
And that there be carried forward		12,531 4 4
		<hr/>
		£25,354 4 2

By Order of the Board,

E. C. WICKES,

Secretary.

16, EASTCHEAP,

LONDON, E.C.,

18th February, 1898.

LETTER FROM THE COMMITTEE OF SHAREHOLDERS.

TO THE SHAREHOLDERS OF

THE SALT UNION, LIMITED.

DEAR SIR OR MADAM,

The undersigned were appointed at a Meeting of Shareholders in the above Company, to which all holders of 500 shares and upwards were invited, to act as a Committee to approach the directors in a friendly spirit, and to take such steps as the Committee might think advisable with the view of improving the management and prospects of the Company's business.

It is generally admitted that the present condition of the Company's business is exceedingly unsatisfactory. The proportion of profit, which it was estimated in the original prospectus would be available for Reserve Fund and Dividend upon the Ordinary Share Capital was £385,000 a year. This proportion actually amounted in 1890 to £191,447, but fell in 1896 to £21,292, and the announcement that at the approaching meeting the directors will only recommend a dividend of $1\frac{1}{4}$ per cent. on the Preference Shares clearly shows a further and larger shrinkage.

Under these circumstances it is felt that some resolute effort ought to be made to grapple with the continued shrinking of the Company's business, and the undersigned, who hold or represent upwards of £470,000 of the Company's Share and Debenture Capital, are unanimously of opinion that it is impossible to conduct the Company's business to the best advantage from a London office, and that steps should be taken to remove the Head Office to Liverpool.

The mere fact that the exports of salt from the Port of London only amount to about 3,000 tons per annum, whilst those from the Mersey ports generally exceed 600,000 tons per annum, appears to your Committee a strong ground for establishing the Head Office in Liverpool, and the practical impossibility of getting commercial men of standing in Liverpool to give the time necessary for serving on a London Board is another ground for making the proposed alteration, whilst the principal reason for the original establishment of the office in London has now entirely ceased.

Apart from all this, the broad fact remains that the Company, during the last nine years, has been unsuccessful; and even those who take the least hopeful view of the Company's future can hardly refuse to admit that it is worth while to try the effect of managing the business at Liverpool—the natural centre of the English salt trade.

Your present directors, who have met the Committee in a friendly and cordial manner, expressed to your Committee a willingness to submit to the shareholders the suggested change to Liverpool, without expressing any

opinion either one way or the other, and to ask the shareholders to give a direct vote on the subject. For this purpose a slip is attached to the proxy sent herewith, and you are requested to state "Yes" or "No" whether you approve of the business being conducted in Liverpool instead of in London, and to return the slip with the proxy.

Your present directors point out that, if the business is removed to Liverpool, several of them will retire; but they have promised that they will do everything in their power to assist your Committee in their efforts to obtain thoroughly efficient directors in their place, and particularly men of good commercial standing in Liverpool. They have also been good enough to promise to retain their seats for sufficient time to ensure the harmonious working and continuous management of the Company's business.

The Committee desire to avoid holding out fallacious hopes to the shareholders, or inducing them to shut their eyes to difficulties which exist, which for some time have existed, and, it is almost certain, will continue to exist, but they feel very strongly that it is impossible for any Board of Directors to adequately grapple with these difficulties, unless the Head Office of the Company is sufficiently near the main manufacturing and trading centres of the Company's extensive operations.

A resolution will be proposed at the meeting for continuing the Committee, and, if you are prepared to support its efforts to improve the management and prospects of the Company's business, you are requested to sign and return the enclosed proxy, and also to write the word "Yes" in the space left for that purpose on the slip attached thereto, and to return same with the proxy.

We are, Dear Sir or Madam,

Yours faithfully,

WM. S. McDOWELL,
Chairman of Committee.

J. W. BRETT,
EDWARD EDMONDSON,
JAMES HEAD,
J. B. HUNTER,
T. B. ROYDEN,
FREDERICK WALKER,
Secretary of the Committee.

*Committee of
Shareholders of
The Salt Union, Limited.*

34, COLEMAN STREET, LONDON, E.C.,

17th February, 1898.

NINTH ANNUAL GENERAL MEETING.

The Ninth Ordinary General Meeting of the shareholders was held at Winchester House, Old Broad Street, London, E.C., on 28th February, 1898. The Hon. Lionel Ashley (Chairman of the Board of Directors) presided.

THE CHAIRMAN'S SPEECH.

The Chairman: Now, gentlemen, I will begin by saying that the very unsatisfactory results of our trade during the ninth year of the Union's existence may be summarised as due to the decrease in the price of salt, to the decrease in the quantity sold, and to the increased cost of make. This last factor has been produced by the increased price of fuel, which is the principal item in our cost of production. Before dealing in detail with these points, it will be well to review the general trade done with various countries. To the United States there has been a decrease of 26,000 tons, the quantity in 1896 having been 119,000 tons, and in 1897 having fallen to 93,000 tons. This decrease is mainly due to the re-imposition by the United States Government of the duty on salt, being part of the Dingley Bill. There are many anomalies connected with the imposition and the collection of this tax, and it will have probably the effect of raising freights from the United States to this country. We have, therefore, reason to hope that Americans may come to the conclusion that it is against their interests to tax so heavily an article which is used so largely in their packing and provision trade. To Russia, Finland, Sweden, Norway and Denmark there has been a decrease of nearly 18,000 tons in 1897 compared with 1896, the quantity in 1896 having been 71,000 tons and in 1897 53,000 tons. This decrease is largely due to the scarcity of suitable ships of small tonnage and to the high rates of freight which have ruled the Baltic ports. To the West Indies and South America there has been a decrease in export of about 4,000 tons, and to Australia a decrease of 3,000 tons, the quantity having fallen from 38,000 tons in 1896 to 35,000 tons in 1897. In this case also high rates of freight have caused shipments to decrease. There has, on the other hand, been an increase to British North America, from 64,000 tons in 1896 to 71,000 tons in 1897, and an increase of 2,000 tons to Africa. To Holland, despite the severe competition with German salt, we have increased our tonnage by 3,000 tons. In Belgium, where we have to meet both German and French competition, we have in 1897 done as much trade as in 1896. I have referred at previous meetings to the excellent system of inland waterways on the Continent, which give easy and cheap access for German and French salt products to neighbouring countries. We are in this respect hampered in Cheshire and Worcestershire by the distance of our works from the port of shipment. The heavy Weaver tolls of 10d. per ton on our white salt and 5d. per ton on our rock salt, together with the dock and town dues of Liverpool of 3d. per

ton on both qualities, handicap us terribly when we are competing with the salt manufacturers whose works are close to the port of shipment. We obtained, some time ago, a reduction of 2d. per ton on the Weaver toll, and we hope for some further concessions. To India the shipments have increased from 212,000 tons to 256,000 tons. I mentioned at our meeting last year that though our tonnage sent to India in 1896 was less by 46,000 tons than in 1895, yet the prices realized had been much more remunerative, but that we could not expect those prices to be maintained, owing to increased shipments. This forecast has been realised, and the prices in India in 1897 have been very much less than in 1896. Not only have prices been lower, but the cost of carriage to India has very largely increased. The freights to India have on the average been doubled in the last two years, and we have further suffered in this our largest and, at times, most remunerative market from the effects of war, pestilence and famine. We consider, however, that we have a permanent interest in the Indian trade, and that we must not only act with a view to one year's business, but with a view to keeping our hold on the market. In our competition with German salt we have been fairly successful. If we compare 1891, the year in which we became responsible for management, with 1897, we find German exports to India have decreased 50 per cent. and our own exports have increased 10 per cent.

CHEMICAL AND SOAP WORKS.

I have said at previous meetings that it might be desirable to use our resources for the manufacture of chemicals. A number of patents and processes have been investigated by us. We have tried one during the year, and the results are such that they give some promise of success. If you look at the balance sheet you will see that during the year the sum of £7,888 19s. 2d. has been spent on new works. This expenditure has been mainly for development of our Middlesbrough properties in accordance with the agreement of purchase, and also with a view to obtaining our due share of the trade there. Some portion of the amount has been spent on soap plant and works at Winsford. This plant is now in full operation, and we hope will be a good source of profit this year and for many years to come. We have through our existing organization special facilities for distributing soap and other articles without additional expense. The item "Freehold, copyhold and leasehold properties," shows some increase, owing partly to the acquisition of some adjacent properties, which was considered absolutely necessary, and also to our having converted some of our leaseholds into freeholds, thereby relieving ourselves from some onerous conditions and covenants, and at the same time securing a good rate of interest on the capital so spent. The amount for the acquisition of distribution agencies and covenants with vendors has been increased by payments that were due in 1897, and also by the sum paid for the acquisition of the distribution agency and covenants of Mr. Buckley Deakin. The payment to Mr. Deakin for his covenants, trade marks, brands and good-will of the distribution agency was £1,750. In addition, we have agreed for a short term of years to make small annual payments to

Mr. Deakin and his manager in consideration of their not competing in the salt trade. This case was, as you know, taken twice to the House of Lords, and the Union had no option but to defend the action. The result has justified our course, but the Company has suffered much, from loss of valuable time, from expenses incurred, and from being prevented, during the continuance of the action, from dealing commercially with our trade. Now that the decision has been given we shall be able to conduct our business with less expense and on commercial lines. We are still of opinion that the acquisition of distribution businesses and covenants with vendors was absolutely necessary for the welfare of the Union. I may remind you that these restraints to our freedom were in full force previously to 1891. The present Board has succeeded in liberating the Union from these fetters that ought never to have been imposed. There are only one or two covenants left, and it is to be hoped that the good sense of the holders will prevent their being worked to the detriment of the Union. We are no longer at the mercy of distributors whose interest it was to buy salt from us as cheaply as possible and to sell it at the highest price possible.

OUR STEAMERS, BARGES AND ROLLING STOCK

appear at about £2,400 less than in 1896. During nine years £19,000 has been written off in depreciation. £107,000 has been spent in repairing and improving our craft, and £149,500 in waggon and van repairs; so that on these two assets, which appeared in our first balance sheet at a cost of £325,000, we have spent in nine years £275,000 out of revenue, or 85 per cent. on the original cost. The stocks of salt valued at cost price appear at about £9,000 less than in 1896, and fuel and materials at about £500 less. Sundry debtors are at about £18,000 less. Bills receivable and cash are £46,000 less. This decrease is, of course, due to the diminished profits of the year. If you turn to the debit side of the profit and loss account you will see that maintenance of plant appears at £44,878 10s. 2d. The total amount we have spent in maintaining and improving our plant during nine years is £470,500. Administration expenses show as £25,801 against £32,449 in 1896. But the decrease is not represented by the difference between those two figures, for we have this year charged off gross profit some wages paid to those who were entirely engaged in the manufacture of salt; but apart from this, there is a substantial decrease, owing to economies which we have been able to effect. Some further economies which have been rendered possible by the conclusion of the Deakin case will not appear till the next balance sheet. The distributors' commission and the agency charges show a slight increase in 1897, due principally to larger sums being payable to one of our agents, who receives a special rate of commission. Fees and travelling expenses of directors again show a decrease. In 1891 they amounted to £6,082. In order to make clear to the shareholders that our law charges are not all for litigation, we have this year shown separately the legal charges, £1,541. Parliamentary expenses last year were fortunately not heavy; we obtained thereby protective clauses in the North-Eastern Railway Bill, by which the

railway company undertook to build a subway for our workmen and vehicles to go from our property on the one side of the line to our property on the other side. We have made a provision of £3,407 in connection with the Brine Pumping Compensation rate. The question is still undecided as to the period for which this rate should be made. We regret that this rate should be so heavy, but Parliament in its wisdom has passed the Act. It was asserted at the time that a rate of threepence per thousand gallons would not appreciably affect the margin of profit on salt, but I do not think that anybody would say so now.

THE BRINE PUMPING ACT.

Last year I said that the Brine Pumping Act is especially unfair to us, as we are the largest sufferers by subsidence in Northwich. The Act gives no redress to the pumper whose property may be pumped down by others. We pay and we do not get paid. Our suffering from subsidence has during the year so increased that we have taken counsel's opinion as to whether Messrs. Brunner, Mond & Company, who have their principal pumping station on the edge of our large brine reservoirs in the Northwich district, and who, in our opinion, have tapped these brine reservoirs in the bottom rock, were not legally liable to us under the common law for the abstraction of our brine and the subsidence of our property. On being advised that they were so liable we again approached Messrs. Brunner, Mond, and suggested if they were still in doubt that a case should be stated jointly for the opinion of counsel, or that our counsel should meet theirs and try to come to some amicable settlement. All the modes that we proposed for trying to settle the matter in a friendly way have been declined by Messrs. Brunner, Mond. If we turn to the credit side of the profit and loss account, rents receivable show an increase of £800, and dividends, &c., an increase of £400. The gross profit on salt, brine, &c., shows a decrease, I am sorry to say, of £86,548 in 1897 compared with 1896. This decrease, as I have already said, is the result of the increased cost of fuel, the decreased tonnage sold, and the decreased price realised. Fuel has cost us about £10,000 more in 1897 than in 1896. The decrease of tonnage I have already alluded to. The price realised has been on the average rather more than 10 per cent. less in 1897 than in 1896, and it must be remembered that 10 per cent. on the price means much more than 10 per cent. on the profit, as the whole 10 per cent. is taken out of the narrow margin of profit. I do not think that Mr. McDowell and his co-signatories in the circular which you have all received, when they talk of dividends being diminished through mismanagement, have taken into consideration this very important question of price, which is really the main factor of the present condition of things. We have had during the last year to reduce the price of some kinds of salt more than one shilling a ton. The average price of salt during the last seven years has fallen 3s. 4d. a ton. In one brand of our salt, which Mr. McDowell's firm controls as sole agents, we have, as he knows, since the Union was formed, been obliged to reduce the price over ten shillings a ton; and I need not remind you that every shilling

on a million tons amounts to £50,000. Perhaps when Mr. McDowell addresses us presently, he will explain how he proposes that his new Liverpool Board shall raise the price of salt in India, and how he thinks they will reduce the rates of freight to that country.

A FIGHTING POLICY.

When we took the management of the Union, in 1891, I warned you that in the face of competition caused by high prices we should have to adopt a fighting policy, and that we must take the course of careful revision of prices, with a view to reduction when and where necessary, and you gave your approval. That policy we have carried out, reducing our prices only when we were obliged to do so. We could, of course, have maintained, or increased, our tonnage by selling the whole of our salt at a price less than the other manufacturers; but in that case your dividends would have ceased years ago. We have, moreover, been able, from time to time, to come to an agreement with some of our competitors to sell on a scale of moderate prices, and that policy we lose no opportunity of extending, as in such combination and agreements we see the best hope of the market recovering itself. In justice to the present Board I must remind you of the origin of the present condition of the Company. In the early days of the Union there were eight members of the Board out of fifteen who had been salt manufacturers. They were all vendors, and they had that great commercial standing and that great experience in the salt trade to which so much importance is now attached, and which the present Board are said to lack. Those gentlemen naturally took the lead in trade matters, and as they had an absolute majority on the Board, they could have carried any measure which their great commercial standing and their great experience in the salt trade might dictate. What was the result? During two years they disputed among themselves; they neglected economies of concentration; they laid the seeds of two of the most serious lawsuits brought against us; and, worse than all, they fixed the prices of salt so high that, in the words of the late Mr. C. A. McDowell, the prices were calculated to cause any man to bore and seek for salt, and to make competition worse than ever before. Having done this irreparable harm, at the end of two years they took their departure, and they left the remainder of the Board, as I said, in 1891, to try to wipe up the mess. At your request, gentlemen, we undertook to carry on the work, though we told you we did not covet the position, that we only remained from feelings of duty, and only so long as the shareholders showed confidence in us. But owing to the irreparable harm done by the gentlemen with experience in the salt trade, we have had to fight, and the Union will always have to fight, against a competition worse than in the pre-Union days, and the Company is at the same time saddled with properties bought at monopoly prices from the vendors. The present Board have done all that was possible in so difficult a position. They have carefully reduced prices so as to keep hold of the market without losing all their profit. They have effected considerable economies in management. They have brought the lawsuits to a successful

issue. They have freed the Union from the shackles of distribution agencies and covenants imposed by the vendors ; and they have developed and are developing many subsidiary sources of revenue. But no Board, in the present state of the trade, can possibly control prices. The present Board does not admit that any other body of men with or without experience in the salt trade could have done better. I have said this much to show publicly that we do not acknowledge that we have been either ignorant or incapable.

THE LONDON BOARD'S FAREWELL.

At the same time, we are not surprised that the shareholders should at last lose patience, and wish for a change. We are glad that some new men should try their hands at this uphill task, and shall be still more glad to hear of their success. We do not despair of the future. There have been always ups and downs in the salt trade, and, if a good time should come, we hope that the shareholders will acknowledge that the foundations we have laid deserve some of the credit. The most pressing want for the Company's welfare is to get a price for salt that will leave a fair profit. As I have already told you, we have been trying, and are still trying, to get outside makers to join with us, in working agreements, to enable all parties to sell at a reasonable return. We have succeeded in making one combination, and we hope that others may be made. I understand that the Indian market promises to be better this year, and that freights are not likely to rule so high. There are further economies to be made, and more concentration is possible now that the Deakin case has set us free. And later on it may be of advantage to readjust the capital account, and to rearrange the classes of shares. Well, ladies and gentlemen, as this is in fact the valedictory statement of the Board, or rather of the London members, I wish to express to you our appreciation of the great courtesy that you have always shown to us, of the patience that you have exhibited under adverse circumstances, and of the confidence that you have placed in us till now. We have had no object to serve save the interests of our fellow shareholders, and we have worked hard. We deeply regret that the results have not been commensurate with our efforts, but we hand over the administration with the germs of new and, we hope, remunerative business of various kinds, and free from most of the shackles and covenants. We hope that favourable prices and market conditions may enable our successors to utilise these advantages and to obtain results more satisfactory than have been possible in our time.

THE UNION'S SHAREHOLDINGS.

A Shareholder : May I ask what is the actual value of the shares held by this Company in other salt trading companies, as represented by over £138,000 in the balance sheet, and whether the income is the dividend from these shares in the past year.

The Chairman : It is impossible to say what the value is. Take the case of our Droitwich Salt Company's, Limited, shares. It was held that it would be to the interest of the Company, instead of calling it part of the Salt Union, to keep it on as the Droitwich Salt Company, Limited, because certain leases

had been granted to the Droitwich Salt Company which, I believe, would have fallen in if it had ceased to exist as a company. Their shares are not quoted on the Stock Exchange, and it is impossible to value them. In good years we have made considerable profits by these companies, which are represented as companies, but to all intents and purposes they are part of the Salt Union. It is the same with the Marston Hall Salt Company, Limited, Dalway & Company, Limited, and other companies. They are the property of the Salt Union, but they are treated under their original names. It is impossible to put any value on their shares, as they are not quoted on the Stock Exchange.

A RESOLUTION TO ADJOURN THE MEETING.

Mr. Keen : I want to move a resolution, and I rather think that this is the proper time to move it. . . . It is this, " That this meeting be and is hereby adjourned to and be resumed on Monday, the 28th day of March, 1898, at half-past two o'clock in the afternoon, at the Law Association Rooms, Cook Street, Liverpool, and that, in the meantime, a full report of these proceedings be forthwith despatched to each shareholder of the Company."

Dr. McDougall : I have much pleasure in seconding the amendment that has been proposed by Mr. Keen. I know that Mr. Keen is a large shareholder, and that Mr. Keen purchased his shares at a very considerable price in excess of their par value.

The Chairman : Gentlemen, I think that it is unfortunate that this debate should have arisen now, when it ought properly to have come when the motion for removal took place. We shall simply end by discussing the whole thing twice over. But I think before I proceed to put this amendment of Mr. Keen, I must say one or two things. I do not want the public to think that we are supporting any opposition to this movement for removal. We have acquiesced in it. The truth is that the one point that governs the whole matter, and which has been put plainly enough over and over again before the shareholders, is whether the London directors are worth having. That is the gist of the thing. They have been told over and over again that if the head office was moved to Liverpool the London directors would go. We have ventured occasionally to say that we are worth having, and that we have done good. Mr. McDowell says that our merits do not outweigh the disadvantages of having the head office in London. The shareholders upon this advice have made their choice, and they have told the London directors to go. It would be perfectly ridiculous, I maintain, to adjourn the meeting, to give the London directors the opportunity of what ? Of telling all the shareholders over and over again that they are worth a great deal more than the shareholders thought. That is what it amounts to. You ask us to adjourn the meeting in order that we may send afresh to all the shareholders, who have given their proxies, and say to them, " Oh, you have made a great mistake ; the London directors are really worth more than you thought." That is a thing that we are not going to do. It does not require any explanation. The shareholders have been told that if the office is removed

the London directors will go ; and then they are asked, " Will you move the office ? " They say, " Yes, we will " ; and they have sent proxies to that effect. It is all very well to talk about strong Consultative Committees, and so on ; but your present London members of the Board will not consent to work with a committee. So long as you trusted us we were content to do our best ; but we are not going on for a year with a Consultative Committee, composed I do not know of whom—Dr. McDougall mentioned Sir Joseph Verdin's name. I do not say a word against that gentleman ; but I should like to point out that some of the things that I have been saying in my speech referred to when he was on the Board, and when he was one of the men who did so much harm to the Salt Union. Well, gentlemen, it is a strong order that you should come to us when we are smarting under the damage done by Sir Joseph Verdin, and say, " Now we will get this great man to work with you, and set things right." I do not, as I say, wish to say a word against him. I think that he is a clever man, and might be able to pull you round. All that I can say is, that I should be glad to see him do it ; but how can you ask us to work with a Consultative Committee under his management ?

Mr. Keen's resolution was carried by a show of hands, but lost on the poll that was subsequently demanded.

MR. MCDOWELL OR SIR JOSEPH VERDIN.

The Chairman : The directors propose that if these two motions are carried they will then consult with the committee named by Mr. McDowell, and will call another meeting of the shareholders to confirm what has been done. I think that this is the best thing under the circumstances. Speaking honestly to the shareholders, I do not see much to choose—or rather I would say I would prefer a committee headed by Mr. McDowell to a committee headed by Sir Joseph Verdin. I have no fault to find with either gentleman, but as regards what I think the true interests of the Salt Union, I think Mr. McDowell, with his large holding in the Salt Union, is more likely to be a useful friend to the Company than Sir Joseph Verdin, who, I think, has got very little interest. I do not see why those gentlemen who oppose Mr. McDowell's committee should be in a state of excitement at all about it. I think the gentlemen on his committee have a very large holding in the Salt Union, and are as likely as anybody to do all the good they can. I think I may now say that the amendment of Mr. Keen has been lost, and in order to get to business I will propose the original motion : " That the report of the directors for the year ended 31st December, 1897, with statements of accounts and balance sheet, now submitted, be received and adopted."

The resolution was put and carried unanimously.

FIRST HINT OF REDUCTION OF CAPITAL.

The Hon. C. W. Mills : Gentlemen, you have done me the honour to relect me, and I wish it to be understood now that if I can really be of use in carrying on the work of the Company temporarily I am ready to do so, but

that I hope in my own interest, and in the interest of the Board to be formed, you will not make that period too long. I need hardly say it is altogether out of my power to attend meetings that are held at Liverpool, I cannot afford the time, and cannot get away. If I might say only one word for myself, I must say I believe that your salvation will not come from economy in management so much, or even from a rise in the price of salt; you will have to take more drastic measures than that, measures which I think have been apparent to some of us for some little while. You will have to get your preference shareholders to take 5 per cent., and you will have to divide your ordinary shares—either scale down your capital to one half or make your ordinary shares deferred and ordinary. Unless you are content to forego your income altogether on your ordinary shares for a considerable number of years, I believe unless you have some drastic measure of that kind, you will certainly not be able to get the Company into a thoroughly satisfactory position at once. Of course you might well ask us why we did not do it. The reason we have not done it was because we had no mandate from the shareholders to do so, and whoever is empowered to make this very drastic alteration in the Company must do so with the full consent of the whole body of shareholders, he must be a strong man and you must all back him up. In the meantime, I can only say, so far as I am concerned, I shall be happy to work for a limited period as much as I can on your behalf.

RESOLUTION TO REMOVE TO LIVERPOOL.

Mr. W. S. McDowell: Mr. Chairman and gentlemen, in accordance with the notice given, I beg to propose "That this meeting of the shareholders of the Salt Union, Limited, approve of the removal of the head office of the Company to Liverpool, and hereby request the directors to make arrangements for such removal with all convenient speed, having regard to the exigencies of the business of the Company and the personal convenience of the existing directors. . ." In London you have practically no export trade, you export 3,000 tons only, against 600,000 tons from Liverpool. Your local trade in London is a large one, but that is not a matter which requires the very careful attention of a board of directors, because the Salt Union has competent managers in London to look after that branch of the business. I would recall to you the fact that has been so often referred to, that the Salt Union in its early days was practically a monopoly, at least it had a monopoly of the salt business in the Cheshire district. That, unfortunately, is not the case to-day. In the other days you had salt men and other gentlemen from that district sitting on the London Board, who looked after things, and whether they are responsible for the present unfortunate position of the Salt Union or not, I will leave you to judge from the Chairman's remarks to-day. Now that our business is no longer a monopoly, and where we have the bulk of our competitors in Liverpool, it is most desirable, I think, to have a Board there who shall watch that business from day to day, because it is not without closely watching this business that we are ever going to recover the ground we have lost.

A HUMBLE SUPPORTER.

Mr. Frederick Walker : Will you allow me, as a very humble member of the Salt Union, but as occupying the position of being secretary to Mr. McDowell's committee, to put before you one or two matters in support of this resolution which Mr. McDowell's native modesty prevents his doing ? One of those things is this, that we perfectly well know that our trade has gone down "bump," as we say up Cheshire way, but there is one branch of our trade, a branch which has not been referred to with as much generosity as I could wish by a gentleman I see before me, a gentleman from Cheshire. It is that branch that has been managed by Mr. McDowell himself, that is to say, the agency in connection with America. We all know that one of the effects of the untoward policy which was adopted at the dictation of Sir Joseph Verdin, the policy of putting up the price of that necessity of life, salt, to such an extent as made it profitable for every man in every part of the country to sink for salt, was to bring up a large and severe competition from America. There is salt produced in America cheaper than we can produce it, and probably cheaper than we ever shall be able to produce it, and yet in spite of all that Mr. McDowell started his agency with an output of 15,000 tons, and he is now selling 60,000 tons a year for the benefit of this Salt Union. . . . Why, gentlemen, it is preposterous nonsense to talk about adjourning this thing in order to enable Sir Joseph Verdin, or some of his friends, or Dr. McDougall, to get up some opposition. I tell you we have got men on our committee that you ought to be proud to have to lead you in this matter, men who are strong, men of character, men who have large stakes in the Company, men like Mr. McDowell, Mr. Royden and Mr. Hunter.

ONE CHANCE TO SAVE THE COMPANY.

Are you going to throw over the chance of getting them to come to your assistance ? . . . We have one chance to save this Company, and to benefit by that chance we must all pull together. It must be a long pull and a strong pull and a pull all together. If we do that it may be possible to pull this Company out of the wreck into which it has come ; it may be possible never indeed to get back to the hope held out in the prospectus, when the shareholders put down their money, but we may be able to get back to a moderate degree of prosperity, in which it may be possible for the ordinary shareholders of the Company to get within sight of a dividend. I urge you, gentlemen, I urge you with all my heart, to support the proposal which has been put before you by strong men, and good men, and honest men, and I ask you unanimously to support that. Whichever way you vote, it must be carried to-day that the business of the Company should go to Liverpool. Face the fact that you must not be beaten to-day, and come forward and let us have complete unanimity. This Company was started as a Union, and it never yet has been a Union. It has been a standard of war, it has been a standard of disunion throughout the length and breadth of the salt trade. Do for one instant all pull together, do for one instant sink your petty differences, do

for one instant sink your petty rivalries, and pull all together for the benefit and advantage of the Salt Union, Limited.

IMPLIED CENSURE ON LONDON DIRECTORS.

Mr. Keen : I should just like to ask the last speaker, after one of the most pleasant speeches I ever heard in my life, how many shares he has. I have been informed the last speaker holds fifty shares in this Company, and he got them last October at £2 each.

Mr. Cooke : Before the resolution is put, although many of us may think it may be advisable ultimately to remove the offices of this Company to Liverpool or Cheshire, in the same way as the large firm of Brunner, Mond & Co. have their head office at Northwich, where their large works are, still at the same time there has been something said which almost compels one to vote against it, simply because it implies to a certain extent a vote of censure upon the London directors.

Mr. McDowell : No, no.

Mr. Cooke : I therefore submit that it would be the most gentlemanly and dignified course for this meeting to vote against it, although we may be outvoted on the question of proxy. We should then, at any rate, have shown that we disapprove of the tactics that have been adopted. We should show, at any rate, that we believe in the sincerity and honour of the directors, and we should have expressed ourselves as strongly as we can do that we wish them to retain their offices. I also wish to clear up one point. I was not the first person to mention Sir Joseph Verdin's name. Sir Joseph Verdin has no anxiety and no wish to do anything in connection with this Company unless there is a desire that he should give his assistance. If he gave his assistance it would be simply free and gratis, and with a view to help the Company by any advice he could give. He has never sought to interview any shareholder upon the matter. He was the representative of the largest firm of salt manufacturers in existence before the Salt Union was formed. He had no intention that his name should be mentioned to-day ; he has no desire to influence anyone with reference to it. His name has been mentioned, but it was only with a view of conveying to the meeting that if he could be of any assistance to the London directors he himself would have been pleased to have done anything he could do, rather than that the Company should get into hands where probably the results may, as I have already said, be disastrous. I therefore hope this meeting will vote against the resolution, for the purpose of affirming our honest desire that the directors should continue in office.

The resolution was put to the meeting and declared lost.

APPOINTMENT OF COMMITTEE CONFIRMED.

Mr. Archibald Coghill : I have great pleasure in proposing, " That this meeting confirms the appointment of the committee appointed at the meeting of large shareholders held at the Institute of Chartered Accountants on the 28th January, 1898, to approach the directors in a friendly spirit and to take

such steps as they might think advisable with the view of improving the management and prospects of the Company's business, and instructs such committee to use its best endeavours to strengthen the Board of Directors." At this late hour I do not wish to make any speech. We have heard a good deal this afternoon which will probably enlighten us. I may say that I am not connected with the salt trade. I am unfortunately a shareholder, and it is one of the worst investments I have ever put my money into. I should like to say one word with regard to the remark which fell from Mr. Mills. If he thinks the 7 per cent. preference shareholders are going to allow their dividends to be knocked down to 5 per cent., without a *quid pro quo*, he will find himself very much mistaken.

The Hon. C. W. Mills : I have no such faith in human nature, sir.

Mr. J. Coghill : I beg to second the resolution.

Mr. Giles : Before the resolution is put, I should like to ask whether the self-elected committee will be able to use proxies in their own favour or not ?

Mr. Crisp : Yes.

Mr. McDowell : Decidedly they will.

Mr. Giles : Then I would ask another question. Are they willing to have another name added to that committee ?

Dr. McDougall : Will Mr. McDowell be willing for two or three nominees to be added to the committee.

Mr. Walker : Allow me to say, as secretary of the committee, that in view of the attitude that has been taken up towards the committee by the gentlemen who have spoken at this meeting—no, sir, we will not accept any nominees of Dr. McDougall.

Dr. McDougall : I think it only fair to say that in mentioning the name of Sir Joseph Verdin I do so in all sincerity. I have not seen that gentleman for several years, but it was hinted to me, and I believe very largely hinted to me, and referred to in the North of England, where the shares of the Company are held, that Sir Joseph Verdin's name, and his present disinterestedness, may be a source of strength to the committee in helping to formulate a Board of Management. I deeply regret that the name of Sir Joseph Verdin, who has done so much for Cheshire—

Mr. Walker : He has not done so much for the Salt Union.

Dr. McDougall : And so much for Northwich, should be bandied about so much as it has been.

Mr. Walker : You mentioned it.

MUTUAL COURTESIES.

Dr. McDougall : I mentioned it because I thought it would be acceptable. I do not think it is either gentlemanly or fair to refer to the past in the way it has been with regard to Sir Joseph Verdin. Everyone knows that if the history of this Company had to be written a great deal might be said that has been left unsaid. I personally happen to know a great deal more of the

matter than I care to relate at the present time, but I will say this : had I known what I do now, I should not have invested one shilling in the Company. I apologise to Sir Joseph Verdin for mentioning his name. . . .

I beg to move that a cordial vote of thanks be given to you, sir, and your Board of Directors, for your very arduous and very disagreeable work.

Mr. McDowell : Mr. Chairman, I have much pleasure in seconding that vote of thanks, and on behalf of my colleagues and myself I would like to thank you for the great courtesy you have extended to us.

The Chairman : I will just thank you for your kind expressions of sympathy, and, after all, if there have been a good many hard words, and a good deal of squabbling has been going on this afternoon, we must all recognise that we have all been animated by one feeling, and that is, what will be the best for the Union. Some think one plan is best, and some think another, but that is the object we have all had in view. I hope we have taken the right course to-day, at all events that something will work to the benefit of the Salt Union, and that we shall look back to this meeting as being perhaps the lowest ebb at which the fortunes of the Salt Union have arrived, and that there will be some improvement afterwards.

REPORT OF THE COMMITTEE OF SHAREHOLDERS
APPOINTED AT THE ANNUAL GENERAL MEETING OF
THE COMPANY, HELD ON THE 28TH FEBRUARY, 1898.

TO THE SHAREHOLDERS OF THE SALT UNION, LIMITED.

LADIES AND GENTLEMEN,

It will be within your recollection that at the Annual General Meeting of the Company, held at Winchester House, London, on the 28th February, 1898, resolutions were passed approving the removal of the Head Office of the Company from London to Liverpool, and appointing the undersigned, who hold more than 10,000 shares in the Company, a Committee to approach the directors in a friendly spirit, and to take such steps as they might think advisable with a view of improving the management and prospects of the Company's business, and the Committee were instructed to use their best endeavours to strengthen the Board of Directors.

Upon their appointment the Committee at once placed themselves in friendly communication with the Board of Directors. In view of the removal of the Company's Head Office to Liverpool, several of the present directors came to the conclusion that it would not be convenient for them to retain their seats on the Board, though for the good of the Company they have consented to do so pending the appointment of new directors in their place.

The Committee are of opinion that it is of great importance in the interests of the Company that the new Board should chiefly consist of gentlemen of commercial experience, prepared to give the necessary time and attention to the Company's affairs, and they consider they are fortunate in having induced the following well-known local gentlemen to consent to act as directors, if elected :—

- Mr. William Harvey Alexander (Messrs. John Rew & Co.), Merchant, Liverpool.
- Mr. George Henry Cox, Liverpool, Vice-President of the Liverpool Chamber of Commerce.
- Mr. John Holt, Merchant, Liverpool, Chairman of John Holt & Co. (Liverpool), Limited, and Chairman of the Wirral Waterworks Company, and of the West Cheshire Water Company.
- Mr. Archibald Roxburgh (Messrs. Cockbain, Allardice & Co.), Merchant, Liverpool.
- Mr. Thomas Bland Royden, J.P., Shipowner, Liverpool, Director of the Union Marine Insurance Company, late M.P. for Liverpool.

The Committee are pleased to state that Mr. Herman John Falk and Mr. Thomas Ward, who have been associated with the Company from its commencement, will retain their seats on the Board.

The Committee firmly believe that, while the new Board will have to contend with many and serious difficulties, their commercial standing and experience will enable them within a reasonable period to bring about an improvement in the position and prospects of the Company. They therefore cordially recommend these gentlemen for election by the shareholders.

The Committee are authorised by the present directors to state that these gentlemen are unanimously approved by them.

An Extraordinary General Meeting of the Company will be held at Winchester House, Old Broad Street, London, E.C., on Thursday, the 28th April, 1898, at 3 o'clock in the afternoon, when the gentlemen above named will be proposed for election as Directors. We enclose a form of proxy, which we shall be glad if you will kindly sign and return at your early convenience.

In conclusion, the Committee desire to express their thanks to the present directors for the friendly spirit in which they have met them throughout the negotiations.

We are, Ladies and Gentlemen,

Yours truly,

WM. S. McDOWELL,

Chairman of the Committee.

J. W. BRETT,

EDWARD EDMONDSON,

JAMES HEAD,

J. B. HUNTER,

T. B. ROYDEN,

FREDERICK WALKER,

Secretary of the Committee.

*Committee of
Shareholders of
The Salt Union, Limited.*

34, COLEMAN STREET, LONDON, E.C.,

April 6th, 1898.

P.S.—The recommendations of the Committee are heartily endorsed by the following large and influential shareholders, each of whom has nominated as directors the five gentlemen whose names are given in the foregoing report :—

THOMAS H. ISMAY, J.P., D.L., <i>Liverpool</i>	..	1,000	Shares
JAMES K. CAIRD, <i>Dundee</i> .. .. .	..	4,100	"
HERBERT WORTHINGTON, <i>Berriew, Montgomery-</i> <i>shire</i> .. .. .	..	4,050	"
JAMES S. BUDGETT, <i>Stoke Park, Guildford</i>	..	2,020	"
JAMES SMITH, <i>Liverpool</i> .. .. .	..	520	"
F. W. REYNOLDS, <i>Liverpool</i> .. .. .	..	390	"

and many other Shareholders.

LETTER FROM THE COMMITTEE OF THE SALT
UNION SHAREHOLDERS' ASSOCIATION.

Important and Urgent.

April, 1898.

TO THE SHAREHOLDERS OF THE SALT UNION, LIMITED.

You will now or very shortly receive a notice convening a meeting of the Shareholders to appoint new directors. We are therefore anxious that the following facts should be fully considered by you.

1. We think it of the utmost importance you should attend such meeting personally, as if certain suggested changes are made, we are of opinion that they will prove disastrous to the best interests of the Company.

2. If you cannot do so we respectfully advise that you do not without full enquiry sign any proxy-form in favour of Mr. McDowell or his nominees. If you have already signed such proxy under any misapprehension, we trust you will cancel it and communicate with us. We would point out that Mr. McDowell used the proxies entrusted to him at the last meeting entirely against the sense and views of the large number of shareholders present at such meeting, and that on each and every occasion his proposals were defeated by the votes of those personally present at the meeting and who heard the chairman's speech.

3. We adopt that course for the following reasons :—

(a) The large and important question of the policy to be adopted in future and of the management of the Company's business has not yet been laid before the shareholders. Their attention has only been drawn to the advisability of a change of Head Office from London to Liverpool and of the appointment of some new directors. We think that before making up their minds as to the constitution of the Board the shareholders would do well to hear the larger question discussed and to obtain if possible an authoritative expression of opinion from the Board. On the policy now to be adopted all the future prospects of the Company will in our opinion depend.

(b) As to the question of the Head Office, we would point out that Liverpool is now, and for many years past has been, the head trading office of the Company, there being at Liverpool nine times larger a staff than in London.

- (c) We think that it would be very injurious to the interests of the Company if the four London directors were to leave the Board immediately on the appointment of new directors. The gentlemen now on the Board are intimately acquainted with the affairs of the Company, and should not, in our opinion, be relieved immediately of all responsibility. In the present critical state of affairs the shareholders have a right to look to them for guidance and assistance. Should the London directors decide to withdraw from the Board we think that they should arrange to give their services at any rate for a limited period.
 - (d) Mr. McDowell has been repeatedly offered a seat on the Board, but he declines this:
 - (e) Mr. McDowell has a dual interest: he is not only a large shareholder (such shares having been largely acquired on the sale to the Company of his father's works) but under a covenant with the Company he receives a very large commission (estimated at £1,000 per annum) on the sale of salt sent to America. He or his agent is therefore a large purchaser of salt from the Company; we therefore do not think it wise that Mr. McDowell should have on the Board of Directors a majority of his nominees to sell and fix the price of salt to him as a Commission Agent. Under such a proposal Mr. McDowell would for all practical purposes be both seller and buyer.
 - (f) Mr. McDowell has no new policy to submit to the shareholders except the change of office, and that has practically been in force for some time past.
4. We have no personal feeling against Mr. McDowell; he has a right, as a business man, to do the best for himself, but the interests of the Company must not be jeopardized by entrusting the entire control to a body of directors nominated by him. We have endeavoured to approach him in a friendly way with a view of agreeing to proposed names, but he now declines all negotiations and wishes to nominate the whole body of directors.
5. We quite agree that it would be to the interests of the Company that the chief offices of the Company should be in Liverpool, and that the directors should arrange for Board and Committee meetings to be held in Liverpool or Cheshire, as also in London (so long as the London directors retain their seats), and we fully believe such an arrangement is quite practicable and can be carried out.
6. We believe that if the Company is placed on a sound financial basis, if further economies are carried out, and a strong body of honourable and disinterested directors selected, the Salt Union has a successful future in view.

7. We are strongly of opinion for the reasons given above that any proposal to be brought forward by Mr. McDowell, which may be antagonistic to the best interests of the Company, or which give him a control of the Board of Directors, should be strenuously opposed by the shareholders, and in the event of a rejection of these proposals and of the retirement, whether immediately or after a limited period, of the London directors, we should recommend the appointment by the shareholders of a strong Committee for the purpose of conferring with the directors as to the future policy of the Company, and of submitting a scheme embracing names of new or additional directors possessing the confidence of the Company. For this purpose, if you cannot possibly attend the meeting personally, we should thank you to fill up the enclosed proxy-form, and return it without delay.

F. McDOUGALL, *Chairman.*

E. G. JENKINSON,	}	<i>Committee of Salt Union Shareholders' Association.</i>
GEORGE OKELL,		
ISAAC FARISH,		
J. P. SWANWICK,		
W. B. JEFFRIES,		
T. B. MORETON,		

Communications should be addressed to

F. McDOUGALL, Esq., F.R.C.S.,

Chairman of Salt Union Shareholders' Association,

Winsford, Cheshire.

COMMITTEE OF SHAREHOLDERS *v.* THE SHAREHOLDERS' ASSOCIATION.

Reprinted from "The Financial News," Friday, April 15th, 1898.

To the surprise of every well-wisher of the Salt Union, opposition is being offered to the proposals made by the Committee of Shareholders appointed at the Annual Meeting on February 28th. The Committee was charged to take such steps as might seem advisable to improve the management and prospects of the Company, and, after due consideration, its seven members came unanimously to the conclusion that, in the interests of the Union, the Board "should chiefly consist of gentlemen of commercial experience, prepared to give the necessary time and attention to the Company's affairs." To that end five well-known Liverpool gentlemen were invited to join the Board, serving with two of the original directors. The Committee did not imagine that prosperity would smile at once on the Salt Union merely because the Board was reorganised, but expressed the belief that, while the directors would "have to contend with many and serious difficulties, their commercial standing and experience will enable them within a reasonable period to bring about an improvement in the position and prospects of the Company." Sensible shareholders have a natural suspicion of a committee which makes heroic proposals, and guarantees them to work wonders within a week or two. In this case the proposals are of the most unpretentious nature. The Committee recognises the difficulties of the situation, and, instead of suggesting panaceas of its own, recommends the shareholders to entrust their property to the administration of careful and capable men who live near the principal sphere of the Company's operations. Direct and continuous supervision by a Board such as is in contemplation is a much more likely remedy for the ills that have befallen the Salt Union than the familiar process of turning the Company's history inside out and disorganising its business while the staff is engaged in furnishing materials for a report by a committee which confounds sensation-mongering with reform. The Salt Union Committee has done quite the right thing in the right way, and we expect its advice to be adopted by an overwhelming majority of the proprietors.

Whence comes the discordant note of objection? It proceeds from a "Salt Union Shareholders' Association," with headquarters at Winsford, in Cheshire. Before this body issued a circular in opposition to the proposals of the recognised Shareholders' Committee it was totally unknown. On inquiry, we ascertain that some years ago some such body brought itself to the notice of the Salt Union directors; but as information as to its constitution and the source of its authority was withheld, no notice was taken of it. The committee which signs the Association's circular consists of seven gentlemen, three of them local doctors, two local farmers, Sir E. G. Jenkinson, and Mr. W. B. Jeffries. The two last-named relieve the Association of its purely Cheshire character, but neither of them has a stake of material size in the Salt Union. Mr. W. B. Jeffries, who holds ten Ordinary and ten Preference shares, will be recognised as a former stormy petrel at

Grand Trunk meetings, and as a director of several mining enterprises which have made no mark. These seven gentlemen, under the leadership of Mr. Finlay McDougall, F.R.C.S., have taken the floor against the proposals of the Shareholders' Committee, alleging that "they will prove disastrous to the best interests of the Company." As the one essential proposal is for more close and competent supervision of the Salt Union's business, this one sentence in the self-appointed Association's circular stamps the opposition as foolish and factious. The document goes on to advise the shareholders that they should not, "without full inquiry, sign any proxy form in favour of Mr. McDowell or his nominees." Here the Association shows itself as impertinent as it is ill-informed. The five independent gentlemen who are called Mr. McDowell's "nominees" are not proposed for the Board by Mr. McDowell or his colleagues on the Committee, but by a group of shareholders holding 11,260 Ordinary and 5,188 Preference shares and £14,120 in debentures. They are supported by the Committee, which holds 8,282 Ordinary and 1,715 Preference shares, and are unanimously approved by the existing directors. To style them the "nominees" of one member of the Committee is an insult at once to the proposed directors and to Mr. McDowell's colleagues on the Committee, whom we do not take to be men likely to make their opinions and actions subservient to the behests of one of their number.

The designation of the proposed directors as "Mr. McDowell's nominees" is essential to the "Association's" plan of campaign. As there is no rational ground for opposition to the Committee's recommendations, and no room for criticism of the five gentlemen nominated for the Board, the only resource left to the "Association" is to make a personal attack on Mr. McDowell, chairman of the Committee. One point of the indictment of the report is that "Mr. McDowell has been repeatedly offered a seat on the Board, but he declines this." This is the first time we have seen a man's fairness challenged on such grounds. Mr. McDowell is a salt distributor, and as such has business relations with the Union. These, the "Association" estimates, bring him in £1,000 a year, and on that assumption thinks it unwise "that Mr. McDowell should have on the Board of Directors a majority of his nominees to fix the price of salt to him as a commission agent." This, then, is the whole basis of the opposition, and, considering the standing and character of the Committee, of the nominators of the five proposed directors, and of these gentlemen themselves, it is hardly necessary to say more of the movement which thus reveals its purpose and its bias. The circular winds up with a recommendation to the shareholders to appoint "a strong committee" which should bring about a public declaration of the policy to be adopted by the Salt Union and nominate new directors. The policy of a trading company, which must vary from time to time, is not easily set forth, and even could it be reduced to a formula, the publication could hardly fail to be injurious to the Company's interests. What sort of a policy the "Association" wants it is difficult to ascertain from the nominations for the Board made by Dr. McDougall and his associates. They have put forward Sir E. G. Jenkinson, who is a director of the Manchester Ship Canal, Mr. Robert Hickson, and Mr. Thomas Rayner, both divisional

managers in the employment of the Salt Union. They have also nominated but, as we understand, too late to conform with the article of association governing the election of directors, Mr. John M. Fells, general manager of the Union, and Mr. John Whitehead, a colliery proprietor. Against none of these gentlemen can anything be said; but we should be astonished were the shareholders to agree to give a large measure of control of the business to managers whose function it is to carry out the policy of the Board. The selection of Salt Union managers as candidates for the Board looks like an endeavour to obtain support for the "Shareholders' Association" as the advocate of practical administration.

So feeble is the case made by the "Shareholders' Association" against the proposals of the responsible Committee that we are compelled to look for some occult reason for the opposition. Probably it is to be found in Dr. McDougall's undisguised affection for Sir Joseph Verdin and his following in the Salt Union. Now, it is hardly denied that the Verdin influence was responsible for the high prices charged by the Union in its early days—a policy which developed strenuous competition and led to the difficulties against which the Union has struggled ever since. This alone should make the shareholders chary of supporting any movement in the interest of restoring Sir Joseph Verdin to the Board. It is the fact, we believe, that after giving an undertaking not to sell his vendors' shares for a year, Sir Joseph within six months asked his co-directors to consent to his selling them at once, so as to buy a salt property which would be beneficial to the Union. The consent was given, the shares were sold, and the property bought. Then the Board was asked to pay a substantial annual retaining fee, so that the property might be kept out of competition with the Union. This was agreed to, and the fee is still paid—some £700 a year. Furthermore, when the Verdin salt-distributing agency was sold to the Union, on the understanding that the business would be discontinued, it was kept alive, in competition with the Union, in the name of a relative of the Verdin family. These facts, which can be verified, explain the repugnance which all who wish to see the Salt Union do well feel towards any effort, open or disguised, to restore the Verdin influence in the counsels of the Company. Let the shareholders not be misled by the shallow opinions—they are not arguments, still less reasons—of the self-begotten "Shareholders' Association," whose spokesmen hold only 1,115 Ordinary and 110 Preference shares, and £3,100 in debentures. We do not believe in measuring a shareholders' right to stand up for his interests by the size of his holding; but a little local clique which arrogates to itself the right to speak for shareholders at large has need to be put in its proper place and at its due valuation. Its members speak for themselves and for themselves only, while the Committee appointed at the general meeting has the support of a very large and influential body of proprietors. That its sound and reasonable proposals will be almost unanimously agreed to at the meeting on the 28th instant we have no doubt. Only those who prefer to make the situation of the Salt Union worse by prolonged wrangling will try to deprive the Company of the prospect of recuperation offered by the speedy election of a Board of strong and independent business men.

SIR JOSEPH VERDIN'S STATEMENT OF FACTS.

Reprinted from "The Financial News" of 20th April, 1898.

THE SALT UNION.

To the Editor of *The Financial News*.

Sir,—My attention has been called to a leading article in your issue of the 15th inst., on the above company. With that part of it relating to the formation of a new board of directors I am not concerned, as I am neither a candidate for a seat on the Board, nor have I given anyone authority to use my name in connection therewith. But there is a portion of your article which is calculated to mislead the public, though, no doubt, unintentionally on your part. I will state the bare facts.

Immediately after the formation of the Salt Union, and not six months afterwards, I pointed out to the directors that it was essential for the interests of the Company that the Wimboldsley Estate should be bought, as it had railway and water communications, and I believed (and still believe) the chief sources of the brine supply of Winsford were there. It was not convenient for the Company to buy, and I purchased the property. Within three months of the signing of the agreement, and before the estate had been transferred, I refused to discuss a proposal to resell the property at a price which would have left me a profit of £40,000, and a second one, which would have left £55,000, thus proving conclusively how necessary it was for the purchase to be made at once. But, notwithstanding my large outlay and the profit I had refused, I never asked the Salt Union to pay me one penny as a retaining fee during the time I remained a director of the Company. In 1892 the present directors approached me as to the transference of my distributing business and the retention of the Wimboldsley Estate on payment of a fee. The first advance came from them, and even after the preliminaries had been settled I gave them an opportunity of withdrawing if they wished to do so. The first retaining fee was paid in May, 1894, nearly three years after I had ceased to be a director of the Company, and thus for six years the Salt Union had been protected at its weakest point at my expense and without the outlay of one coin of their own. It yields me to-day, including the retaining fee, about 2 per cent. per annum on my outlay in respect of this property.

As regards Verdin Brothers' Distributing Agency, the Company trades in that name, and has done so since 1892. I have no interest in it (except as a shareholder of the Company), nor in any other salt agency or business, either present or prospective, and I must therefore repudiate your insinuation that any such business is being conducted for my benefit or in violation of the terms of agreement. On the contrary, I hold letters from the directors thanking me in the warmest terms for the generous manner in which I had dealt with the Company.

I am, your obedient servant,

JOSEPH VERDIN.

The Brockhurst, Northwich, April 16th.

LETTER FROM THE SALT UNION SHAREHOLDERS' ASSOCIATION.

Important and Urgent.

WINSFORD, CHESHIRE,

22nd April, 1898.

TO THE SHAREHOLDERS OF THE SALT UNION, LTD.

On behalf of the Salt Union Shareholders' Association, of which I am the Chairman, I find it necessary to refer to the reprint of the article from the *Financial News* of Friday, April 15th, which appears to have been sent to each shareholder.

Certain information appears to have been given to this paper, but a good part of the truth respecting the matters referred to has been suppressed. On some future occasion we may find it necessary to enquire as to the source from which the information has been obtained, and why the whole truth has not been given. We should, however, point out that Mr. Head, who is one of Mr. McDowell's Committee, is also Chairman of the *Financial News Co., Limited*, and the article therefore cannot be considered to be written without some bias.

First, as to the appointment of Mr. McDowell's Committee, that Committee was appointed at the annual meeting held on the 28th February, but the appointment was almost entirely made by Mr. McDowell with the proxies entrusted to him. The Chairman declared that the majority of those persons present (probably about 200) had voted against the appointment. The article then goes on to say that five Liverpool gentlemen have been invited by Mr. McDowell's Committee to join the Board. The further information might have been given that none of these five gentlemen have had any experience whatever in connection with the salt trade. Some of them are connected with cotton, others with shipping, but not one of them know anything at all about the manufacture of salt. It should further be stated that of these five gentlemen one of them had not a single share in the Company until about a fortnight ago, but qualified himself by purchasing 100 Ordinary shares, sold on the market at about £1 15s. per share. Another of these gentlemen has not got a single share in the Company at the present moment, unless his transfer has been registered within the last two or three days. A third is Chairman of a Company (not the Lagos Salt Company) which buys and exports salt to South Africa. It is therefore evident that if he is also to be a director of the Salt Union, he will, like Mr. McDowell, have a dual interest, that is to say: he would be a director of a Company which manufactures and sells salt, and a director of a Company which buys salt. It remains for him to say how he could properly discharge the two duties,

giving satisfaction to both sets of shareholders. Such an appointment would doubtless be regarded unfavourably by other buyers of salt for Africa who are competitors with the gentlemen nominated and who would probably, as business men, give their orders to salt manufacturers outside the Salt Union, and an intimation to this effect has been received by me as Chairman of this Association.

As to this Association, its strength is not determined by the number of shares held by those who have signed the circular, although these would bear a much superior comparison with the names of the gentlemen recommended by Mr. McDowell's Committee, as being suitable for the office of director of the Company.

The nominations for the office of director which have been put in on behalf of this Association are as follows :—

1. Sir EDWARD G. JENKINSON, K.C.B.
2. Mr. THOMAS RAYNER, who holds 500 shares in the Company.
3. Mr. ROBERT HICKSON, who has 535 shares in the Company.
4. Mr. JOHN WHITEHEAD, of the Duxbury Park Colliery, a gentleman of position who has plenty of time to give to the office of Director, and has also been for some time the holder of 500 shares in the Company.

There has also been a nomination by a gentleman who is not a member of this Association, but who holds 600 shares, viz. :—

Mr. J. M. FELS, the general manager of the Company, who himself is the owner of 345 shares in the Company.

Of the above, Mr. Thomas Rayner and Mr. Robert Hickson have had the experience of a lifetime in the management and conduct of salt works. Mr. Fells has had nearly ten years' experience in the detailed work of this Company. It must be borne in mind that it is evident that it has been part of the policy of the directors latterly to reduce prices, with a view of facilitating to an amicable arrangement and understanding with the outside salt proprietors, so that it appears to us that the very fact of a small dividend being paid this year may be a considerable advantage to the Salt Union in future years.

Those of us who are resident in the salt district have had conversations with competing salt manufacturers, and believe that a working arrangement could now be made with them if the changes in the constitution of the new Board of Directors were in the nature of gradual reform rather than sudden revolution.

The article in the *Financial News* appears to imply that this Association is guided by and acting in the interests of Sir Joseph Verdin, Bart. This is absolutely untrue. Whilst we have great respect for the business ability and knowledge of Sir Joseph Verdin, which built up the largest and most

successful business in the salt trade, we are well aware that his health and other engagements would prevent him from accepting a seat on the Board. As to the personal attacks made upon Sir Joseph Verdin we have no concern, and are confident such makers can be best dealt with by Sir Joseph himself.

It may however be asked, why does this Association take such an active interest in the nomination of the directors at the proposed Meeting on the 28th instant? When you are proposing to elect trustees or directors of capital involving four millions of money, every shareholder has a right to have a voice in the election, and to see that the very best men are appointed to whom the estate is to be entrusted, and we deny the right of Mr. McDowell or his Committee, appointed by the proxies which they themselves obtained on another issue altogether, viz. : the issue of whether the head office should be at London or Liverpool, to assume that all the powers of the Company are to be vested in him or his Committee, to elect the directors. We do not assume such a responsible position even for this Association, and some ten days ago a letter was addressed to Mr. Walker, the Secretary of Mr. McDowell's Committee, suggesting that a friendly compromise should be arrived at, and that this Association should nominate two of the proposed five new directors, Mr. McDowell's Committee should nominate two others, and that the fifth gentleman should be one suitable for chairman, and should be appointed jointly by this Association and Mr. McDowell's Committee. This fair and reasonable offer has not been accepted up to the present, and, so far as we are concerned, it is still open.

Even if this Association were strong enough to appoint the whole of the directors—which we believe it is or will be—the responsibility will be too great and serious, and we should much prefer that Mr. McDowell's Committee should accept the terms which have been offered to them, because we are anxious to have a Board of Directors representative of all the shareholders. We are also anxious to have practical men appointed, who will know what they are doing, and what they have to carry out.

If, therefore, you have not sent in the proxy in favour of Sir Edward G. Jenkinson, K.C.B., we trust you will do so at once and by the next post. If you have signed a proxy in favour of Mr. McDowell's Committee, we enclose you herewith a form to cancel such proxy, and should be glad if you would also return that. We give you this assurance that the proxy will only be used for the purpose of carrying out, as far as possible, the lines suggested in this circular. Considering the newspaper reports which have been issued (many of which are not to be relied on), we must ask you to place some credence on the statements we have made, and to assure you that we are only actuated by a desire to promote the best interests of the Company, and this in our opinion can be best done by the course we have suggested.

F. McDUGALL,

Chairman Salt Union Shareholders' Association.

LETTER FROM THE SHAREHOLDERS' COMMITTEE.

DEAR SIR OR MADAM,

You will doubtless have received a circular, dated 22nd April, from Dr. McDougall, urging you to revoke the proxy with which you have entrusted the Shareholders' Committee, and to give your proxy to his Association, particularly on the following grounds :—

1. That the five gentlemen who have consented at the request of my Committee to join the Board are not already connected with salt.
2. That one of them had not a single share in the Company until about a fortnight ago, and another has not a single share at the present moment.
3. That a third is Chairman of a Company (not the Lagos Salt Co.), which buys and exports salt to South Africa, and that he would therefore have a dual interest on the Board.

I answer these points seriatim.

1. At the present time the Salt Union is making as good salt as it ever made, probably the best salt in the world, at an initial cost which is not excessive. The reform which is required in the Salt Union is not in its manufacturing, but in its commercial management. The Union can make salt, but its power to sell it is constantly decreasing, and the mandate from the shareholders to my Committee was, therefore, to get on the Board good commercial men. In this we have been absolutely successful; we have succeeded in bringing forward men of the highest commercial standing, some of whom have been unsuccessfully approached on previous occasions.

2. The fact that one or two of the very pick of the men selected had no previous interest in the Salt Union, places, we venture to think, our success in the strongest possible light. To induce men who were already heavily involved in the misfortunes of the Company to come forward was manifestly not so difficult as to get absolutely independent men to interest themselves in a failing business, with which they were not previously connected. Our policy has been to get the best possible men, whether shareholders or not.

3. This is an amended attempt by Mr. McDougall to attack Mr. John Holt—probably the most resolute reformer we have succeeded in bringing forward. The last statement by Dr. McDougall (in his letter to *The Financial News*) was, that Mr. Holt was Chairman of the Lagos Salt Co., which he is now forced to admit is untrue. The facts on which the present charge is based have already been stated in Mr. Walker's

letter to *The Financial News*. Mr. Holt is Chairman of a Company which ships merchandise of every kind to Africa, and amongst other things a certain quantity of salt, but the salt portion of his business only amounts to about one-sixtieth of his whole trade, and it is absurd to suggest that this insignificant interest should militate against the election as director of one of the most energetic, vigorous and honourable commercial men in Liverpool. As has been before stated, the real ground of objection to Mr. Holt is the dread that he will reform abuses on which some of the supporters of Dr. McDougall's secret association are now battenng.

Dr. McDougall rings the changes. First-class commercial men of the highest standing are objected to on the ground that they know nothing about salt, and Mr. Holt is objected to because a small portion of his trade is in salt. What do Sir E. G. Jenkinson and Mr. John Whitehead know about salt? Dr. McDougall does not venture to state that either of them are men of commercial standing or experience.

Although the election of the gentlemen selected by my Committee, and nominated by practically all the very large shareholders, is secured, it is of the utmost importance that they should be carried by such a commanding majority as will amount to practical unanimity, and I therefore urge you strongly, if you have not already sent your proxy to my Committee, to sign and send it back to me by return of post, and, if you have already sent my Committee your proxy, I urge you strongly on no account to cancel it.

The affairs of the Salt Union are at a critical juncture, and a heavy responsibility will rest on all shareholders who throw any difficulties in the work of reform which has been initiated, and is now supported by a large majority of the shareholders, including those with the largest stake in the Company.

I am, dear Sir or Madam,

Your obedient Servant,

WM. S. McDOWELL,

*Chairman of the Shareholders' Committee duly
elected at the last Ordinary General Meeting.*

34, COLEMAN STREET,
LONDON, E.C.

OFFICIAL NOTICE TO SHAREHOLDERS.

16, EASTCHEAP, LONDON, E.C.,

25th April, 1898.

DEAR SIR OR MADAM,

I am instructed by the Directors to send you the appended Ticket of Admission to the EXTRAORDINARY GENERAL MEETING to be held at WINCHESTER HOUSE, OLD BROAD STREET, LONDON, E.C., on *Thursday, 28th April instant*, at 3 p.m., and to notify you that the following gentlemen have been nominated for election as Directors at such Meeting, viz. :—

- Mr. WILLIAM HARVEY ALEXANDER (Messrs. John Rew & Co.), Merchant, Liverpool.
- Mr. GEORGE HENRY COX, Liverpool, Vice-President of the Liverpool Chamber of Commerce.
- Mr. JOHN HOLT, Merchant, Liverpool, Chairman of John Holt & Co. (Liverpool), Limited, and Chairman of the Wirral Waterworks Company, and of the West Cheshire Water Company.
- Mr. ARCHIBALD ROXBURGH (Messrs. Cockbain, Allardice & Co.), Merchant, Liverpool.
- Mr. THOMAS BLAND ROYDEN, J.P., Shipowner, Liverpool, Director of the Union Marine Insurance Company, late M.P. for Liverpool.
- Sir EDWARD G. JENKINSON, K.C.B., of Down Terrace, Richmond, Surrey.
- Mr. THOMAS RAYNER, of Marston, Northwich, Cheshire, Salt Works Divisional Manager.
- Mr. ROBERT HICKSON, of Northwich, Cheshire, Salt Works Divisional Manager.

The two following nominations were received too late, under No. 96 of the Company's Articles of Association, viz. :—

- Mr. JOHN M. FELS, of Winsford, Cheshire, General Manager.
- Mr. JOHN WHITEHEAD, of Duxbury Park Colliery, Chorley, Lancashire, Colliery Proprietor.

Yours faithfully,

E. C. WICKES,

Secretary.

EXTRAORDINARY GENERAL MEETING.

In accordance with the report of the Directors, adopted at the Ninth Ordinary General Meeting, on the 28th February last, an Extraordinary General Meeting of the Salt Union, Ltd., was held at Winchester House, London, on April 28th, 1898, "to receive the report of the Shareholders' Committee, to elect directors, and to transact any other business arising on such report." The Hon. Lionel Ashley, Chairman of the Board of Directors, presided.

THE CHAIRMAN'S SPEECH.

The Chairman : Our next course will be to proceed as shortly as we can to the election of the directors for the vacancies now existing on the Board. Before proceeding to their election, I should like to say a very few words to you just to dwell upon the position that was taken up and has been maintained by the Board since the Committee was formed. The Committee, when they approached the Board, stated their opinion that the management of the Company had been defective in the past, and that the remedy in their opinion was to bring in several business men from Liverpool and to remove the head office to that city. Your directors, while not admitting that the former management was to blame, or that the removal was desirable, felt that it was very natural that the shareholders should wish for a change of government to be tried, and they held that it would be too great a responsibility on their part were they to use their influence to prevent any change taking place. So they gave the Committee a free hand, and remained absolutely neutral, giving no opinion as to its proposals, but simply saying that if the head office were removed the London directors must retire.

REMOVAL OF THE SEAT OF GOVERNMENT.

The result, as you all know, was that a large majority of votes was given for removing the seat of government. Similarly, the directors have endeavoured to maintain neutrality so far as the selection of candidates was concerned, as they wished the responsibility to rest with the shareholders and their representative committees. We have expressed approval of the candidates nominated by the Shareholders' Committee, as these gentlemen were reported to us to be of high standing in Liverpool, and were recommended by such well-known men as Mr. Ismay, Mr. Caird, Mr. Worthington, and others who are large shareholders. As you are aware, some objection was taken to one candidate, Mr. John Holt, on the ground that he held a dual interest as a buyer of salt, but we have not considered that objection of sufficient importance to justify us in withdrawing our approval from the five candidates nominated by the Shareholders' Committee. I am sure at the same time that we take no objection whatever to the candidates supported by Mr. McDougall's Committee, and we have used our best endeavours to bring

about an arrangement by which the committees should combine to fill up the vacancies by a unanimous vote. That is the only interference we have allowed ourselves in these matters, and we regret very much that up to the present our efforts have been in vain, for internal dissensions cannot fail to injure the Company's welfare. As I told you at the February meeting, the London directors retired in consequence of the decision of the shareholders; Lord Hillingdon and Mr. Walter Robinson have already resigned; Mr. Baring-Gould and I were ready to do the same, but at the earnest request of the Shareholders' Committee, and in consequence of what was said at the last meeting, we have agreed to stay on to the 30th June, in order to give the new members of the Board time to take up the reins of management.

ELECTION OF CANDIDATES.

If our immediate retirement would put an end to dissensions by the shareholders' representatives agreeing together to fill up the vacancies with candidates of both parties, Mr. Baring-Gould and I should be pleased to retire at once; but I am afraid, from what I hear, there is no chance of that. I regret very much that there should be a division, and I should like to urge still that you should try and combine, but, if not, what remains now is for you to proceed to the election of candidates, and therefore I would call upon Mr. McDowell's Committee to move the election of the first candidate. Mr. McDowell has not given us the names of the movers of his resolutions. It is proposed to take them alphabetically, and I think the first candidate to be proposed would be Mr. Alexander. I would propose, if the Committee agree, that they should all be separately nominated, that the voting should be taken upon each one separately, and when the vote has been finished as regards each one, then I should declare to you the result of the voting as to the gentlemen who are to fill up the five vacancies.

SIR EDWARD JENKINSON EXPLAINS.

Sir Edward G. Jenkinson, K.C.B.: I think, Mr. Chairman, that if you will allow me to speak now it will very much shorten our proceedings. I wish first to explain to the gentlemen here present the reason that I signed the circular and the position I have taken in this matter. At the last meeting, you will remember, there was a great deal of deplorable disputing—perhaps we may call it grumbling—and when the circular was brought to me I agreed to sign it in the hope that before this meeting we might be able to come to some settlement with Mr. McDowell's Committee, in the interests of the shareholders. I may say that I have no intention of using the proxies which have been given to me for a party. I meant to use them in the best interests of the Company, and to this extent should I have gone, that I should not have used them to vote against all the members of Mr. McDowell's Committee. On the contrary, if we had succeeded in getting a majority of proxies, recognising Mr. McDowell's and his colleagues' undoubted right to a strong representation on the Board, I should have voted for a majority of Mr. McDowell's Committee as members of the Board, asking him to put two

other members on that Board. I can put what I have to say in a very few words. We have come to this position, that we have had this morning a meeting with Mr. McDowell and those whom he proposes to make directors. I think, perhaps, that Mr. McDowell will follow me, and will make a statement which will be satisfactory to you all, and which will enable us very quickly to close the proceedings of this meeting. I think it would be a very great mistake, simply because you belong to one party or another, that you should oppose the men whom Mr. McDowell has nominated. The real question is, are they fit and proper men to represent the shareholders on the Board, and do they mean to work the business of the Company in the interests of the shareholders honestly, and as far as they can, according to their ability?

AN APPEAL FOR HARMONY.

From inquiries which I have made—I speak from my own inquiries and my own knowledge—I can assure you, gentlemen, that I believe there is nothing behind what these gentlemen have already stated, that they have no desire to grind their own axes, they have no desire to do any injury to the Company, but that they wish, on the contrary, to work honestly and ably in your interests. Now, in view of the statement which I think Mr. McDowell will make, I will, if I may do so, advise you to act as I, holding proxies, mean to act myself in this matter. I would advise you, in this meeting, to avoid all contention and disputing, and to try and bring all the shareholders present into harmony, in order to put a stop to this dispute, so as to prevent anything of this sort again, if possible, on future meetings, and to vote for the five nominees of Mr. McDowell, representing that if that is done by us all now in the interests of harmony and of the Company, Mr. McDowell and his colleagues will see their way to make some concession which will satisfy the minority of the shareholders, and ensure the representation of the minority of the shareholders upon the Board.

MR. W. S. MCDOWELL'S ATTITUDE.

Mr. W. S. McDowell: I am very glad that Sir Edward Jenkinson has given me an early opportunity of speaking in this meeting. I met Sir Edward Jenkinson for the first time this morning, and from the way he spoke I knew he had only one interest, like ourselves, at heart, namely, the interests of the Salt Union, Limited. I am only sorry that we did not meet earlier. We met at the eleventh hour, when we were committed to our candidates, and could not withdraw them. We do not wish to withdraw them, because we believe we have gentlemen who have only one interest at heart, namely, the interest of the Salt Union. As regards the statement which Sir Edward Jenkinson expects me to make, I am authorised to say this—and I have put it down so that I may make no mistake—by the gentlemen who are now to be nominated. There are likely to be two further vacancies about the end of June, and although when those vacancies take place it will no doubt be the duty of those gentlemen if elected as directors to consider the actualities then existing, yet I can assure you that if it is possible on that occasion to meet

in some measure the wishes of the minority, no one will be more glad than I am. I may say further that the names of two gentlemen have to-day been confidentially mentioned to my friends and myself, and that so far as we are aware, both of those gentlemen are absolutely unexceptionable, and either of them, if put forward in a friendly spirit as candidates, would, I honestly believe, be received and favourably considered by the then directors of the Company.

Mr. J. H. Cooke : I wish to say this, in the absence of Dr. McDougall, who, I am sorry to tell you, has been ill in bed for the last week with a severe attack of influenza, and who is very sorry indeed that he is not able to be here this afternoon, that so far as his action is concerned, and the action of his committee, it has only had one object in view, and that is the best interests of this Company.

A resolution that the candidates be put *en bloc* was carried unanimously amid cheers.

NEW DIRECTORS ELECTED.

Mr. W. S. McDowell : I have very much pleasure in proposing "That the following gentlemen be and are hereby elected as directors of the Salt Union, Limited : Mr. William Harvey Alexander (Messrs. John Rew & Co.), merchant, Liverpool ; Mr. George Henry Cox, Liverpool, vice-president of the Liverpool Chamber of Commerce ; Mr. John Holt, merchant, Liverpool, chairman of John Holt & Co. (Liverpool), Limited, and chairman of the Wirral Waterworks Co., and of the West Cheshire Water Company ; Mr. Archibald Roxburgh (Messrs. Cockbain, Allardice & Co.), merchant, Liverpool ; and Mr. Thomas Bland Royden, J.P., shipowner, Liverpool, director of the Union Marine Insurance Co., late M.P. for Liverpool." I can assure you, gentlemen, that it was not without a great deal of difficulty that the Committee were able to get such a fine body of commercial gentlemen to come forward and try and resuscitate the affairs of the Salt Union. I think that we may congratulate ourselves on the gentlemen who have kindly consented to be our nominees, and I hope and trust that they will be able to bring us back to a position, if not equal to what we were in the first years, at least to something approaching it. They have a very arduous task before them. I know that this year no board of directors probably could improve our affairs. We must not, and I would like it recorded that I say it—we must not expect an improvement in the current year. The contracts of the year are made. The prices generally, I believe, are lower than in previous years, and no human being could possibly bring us out of this year better, and probably they cannot bring us out as well as last year. Therefore when we meet next year, we must be lenient with our new directors if they are elected, and must give them an opportunity at first of learning the work, and then of showing us the good results of their commercial training. I have very much pleasure indeed in proposing that those five gentlemen shall have seats on the Board.

Mr. Douglas Coghill, M.P. : I have much pleasure in seconding the nomination of those five gentlemen whose names you have just heard read.

The resolution was then put to the meeting, and carried unanimously.

THE NEW BOARD'S THANKS.

Mr. Thomas Bland Royden : I have been asked by my friends to thank you, the shareholders here present, for the confidence which you have shown in electing us as directors. I also have to express my thanks and theirs to Sir Edward Jenkinson and his friends for the unanimous vote which has been given to-day. I quite endorse what fell from Sir Edward Jenkinson, that it is highly important, in the best interests of this Company, that the gentlemen who are about to be elected as directors should receive the unanimous and hearty support of all the shareholders. I am not going to prophesy about the future, because I think it is a very safe thing not to prophesy unless you actually know, and we cannot very well know what is in the future. I hope that the view which my friend Mr. McDowell has initiated may prove to be what may be termed a shady side view. We shall hope by dint of exertion, and by an improved state of trade, that things may turn out better in the end. Still, after all, it is only a hope which I venture to express. I can assure the shareholders that my friends and I are animated, as has been said, by only one wish, and that is to devote our time, and the best of our abilities, and our commercial knowledge, to the improvement, if it be possible, of the position of affairs with regard to the Salt Union.

A CORDIAL CONCLUSION.

The Chairman : Well, gentlemen, this is not a time for making speeches, and so I will not keep you ; but I may express to you my great pleasure at matters having been settled in such a friendly way. I may say that when I came here I anticipated sitting here till about seven or eight o'clock, with polls going on at least nine times for the different candidates. I am delighted that the matter has now been settled satisfactorily, and I think it is a good omen for the future of the Company. It will show that the Union can be united, and that we really all of us have the prosperity of the Union at heart. Under those circumstances, I hope that there is a good prospect for the Company. I will not enter into Mr. McDowell's anticipations, except to say that no body of men will be more pleased if the new directors are successful than the old directors. They will have our best wishes, and our best sympathies, and I hope that in February next, even if you hear nothing better for the moment, you may hear nothing worse, and that there will be reasonable prospects of a better time coming for the salt trade.

Mr. G. H. Cox : Perhaps you will allow me before we separate to move a very hearty vote of thanks to the Honourable Lionel Ashley for his conduct in the chair to-day. I have felt all along that the resolution which was arrived at at the last meeting was one which placed your old directors in a very difficult, if not a very painful position, and I am bound to say that their conduct since then has only added a large measure of respect to what we all felt for them before. I will ask Sir Edward Jenkinson to second this vote of thanks.

Sir Edward Jenkinson, K.C.B. : I have great pleasure, sir, in seconding this vote of thanks to you as chairman, and to your colleagues, who have been working in the management of the affairs of the Salt Union.

The resolution was carried unanimously.

The Chairman said : In the name of my colleagues, and in my own name, I wish to thank you very much for your reception of the kind things which have been said by Mr. Cox and Sir Edward Jenkinson.

Mr. T. C. Lowden : I beg to move that a unanimous and hearty vote of thanks be passed to Mr. McDowell for the able way in which he has fulfilled the duties which the shareholders placed upon him.

The motion was seconded by Mr. E. H. DOUGLAS, and carried unanimously.

TENTH ANNUAL MEETING AT LIVERPOOL.

The Tenth Ordinary General Meeting of the shareholders of the Salt Union, Limited, was held on March 4th, 1899, at the Law Association Rooms, Cook Street, Liverpool. The chair was occupied by Mr. George Henry Cox (deputy-chairman), and he was supported by Messrs. William Harvey Alexander, Herman John Falk, John Holt, Archibald Roxburgh, T. Ward (directors), J. M. Fells (general manager), E. C. Wickes (secretary), A. E. Showell (accountant), Winshurst, Bateson & Company (solicitors), —. Fletcher (Cooper Brothers, auditors), —. Nicholson (Harmood, Banner & Son, auditors, Liverpool). There was a large attendance.

REPORT FOR 1898.

The report of the directors, which had been printed and circulated among the shareholders, was as follows :—

REPORT AND ACCOUNTS.

The directors beg to present their report for the year ended 31st December, 1898, with statement of accounts and balance sheet.

CHANGE OF HEAD OFFICE AND DIRECTORS.

In accordance with a resolution passed at the last ordinary general meeting on 28th February, 1898, requesting the directors to make arrangements for the removal of the head office of the company from London to Liverpool, the change was effected at the end of June last. Two of the four London directors retired at the extraordinary general meeting on 28th April, and the remaining two on 30th June.

REORGANIZATION OF MANAGEMENT.

Economy and advantage have resulted from the removal of the headquarters to Liverpool, where the bulk of the salt business is transacted. The district managers have also been brought into direct touch with the Board, and the lines of further reorganization have been determined upon.

UNION SALT TRADE, 1898.

The tonnage of salt delivered by the Union in 1898 was 967,000 tons, as against 1,014,000 tons in 1897. The alterations in the mode of manufacturing chemicals and the change in other industries have still further decreased the demand for salt for industrial purposes, and quickened competition amongst salt producers. To the East Indian market there has been an increased supply on lower rates of freight during the last half of the year

the benefits from which have not yet been realised in the accounts, whereas the latter have suffered from the losses incurred by earlier shipments made at high rates of freight.

SOAP WORKS.

During the year the utilization of a disused set of salt works belonging to the Company by the erection of soap manufacturing plant and machinery therein has been completed. The Company is now producing high grade soaps for household and toilet purposes, and trusts that the shareholders will give this department their active support.

UTILIZATION OF PROPERTY.

Some of the craft continue to be profitably utilized for the conveyance of general merchandise. The finances of the Company having been somewhat hampered by the past policy of buying up properties—about £30,000 having been expended for such purpose since the issue of the B Debenture Stock in 1895—the Board intend to sell any surplus property as opportunity offers, reserving the brine, rock salt and minerals, and guarding against the use of the lands for competing purposes.

COMBINATION OF SALT MANUFACTURERS.

In August last the salt manufacturers in the Middlesbrough district, including the Union, established the North Eastern Salt Company, Limited, which is now in successful operation. Strenuous efforts have been made to form a similar company amongst the manufacturers in the Cheshire, Staffordshire and Lancashire districts, but it has not yet been found possible to bring this about. A working arrangement has been entered into between most of the outside manufacturers and the Union for maintaining the higher level of prices lately put into operation.

NEW TRUSTEES FOR DEBENTURE STOCKS.

Mr. Charles A. McArthur, M.P., and Mr. William Samuel McDowell, of Liverpool, have undertaken to act as new trustees for the debenture stockholders, and the requisite deeds of appointment have been prepared for execution.

MAINTENANCE OF PLANT, &C.

The District Managers of the Company have certified that the respective works, plant in operation, craft and rolling stock in their several districts have been maintained, and where necessary renewed, during the year.

BALANCE SHEET.

During the year the sum of £5,924 10s. 7d. expended on new works has been charged to the general capital account.

PROFIT AND LOSS ACCOUNT.

The amount standing to the credit of this account for salt, brine, carriage, and sundry trading, was £131,615 2s. 3d., and from other sources £39,140 11s. 9d., making the total amount £170,755 14 0

After deducting the cost of maintenance of plant, distributors' discounts, agency, and other charges set forth in the Profit and Loss Account, the profits from all sources amount to £37,342 4 2

From this amount the capital invested in the Weston (Staffordshire) Works, and the amount paid under award for dilapidations of those works, has been written off .. 4,550 0 0

Leaving a balance of	£32,792 4 2
Add the amount brought forward	12,531 4 4

Which gives a total of	£45,323 8 6
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The Debenture Stock interest paid on 1st July, 1898, and 1st January, 1899, amounted to	54,000 0 0
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Leaving a deficit of	£8,676 11 6
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This amount has been transferred from the Reserve Fund to the Credit of Profit and Loss Account. To preserve uniformity of comparison, the accounts are presented this year in the same form as before. The gross profits shown in the accounts include the nett profits of the Union's distributing branches, to which the administration expenses and bad debts have been separately charged.

By Order of the Board,

E. C. WICKES,

Secretary.

CHAIRMAN'S SPEECH.

The Chairman: Gentlemen, I find myself this afternoon in a very unenviable position, in the first place because I am not able to ask you to adopt a very favourable report of the working of the Salt Union for the last year, and, secondly, because I have to occupy this chair to-day owing to the very much to be regretted absence of our Chairman, Mr. Royden, who asked me to read the following letter: "Dear Mr. Cox,—Will you explain to the meeting to-morrow how extremely sorry I am not to be able to be present, owing to the influenza?" He has been away altogether a fortnight from business, and he has to take very great care of himself. Well, now, as I have said, the report that I am about to ask you to adopt is not a very brilliant one. But, gentlemen, it has not been within the power of us new directors, at all events, to make a better one. We sincerely wish we could have done

so. If you remember, Mr. McDowell in London warned the shareholders there that they must

NOT EXPECT MUCH CHANGE FOR THE CURRENT YEAR,

largely because contracts had been entered into, and it is impossible to change the policy of a great Company like this at a moment's notice. I may say, I think, without any undue self-laudation, that the directors, and the new directors especially, with the assistance of the two old ones, have spent an enormous amount of time and labour and have suffered a very considerable amount of anxiety since we took seats upon this Board. I think that if we had contemplated what was before us very few of us would have undertaken the job at all. The concern that we have been asked to look after, I need not tell you, is a very gigantic one. We are not only salt makers, possessing salt works in different parts of the country, spreading over Cheshire and Worcestershire and Middlesbrough, but we are also engineers, carriers, we are boat builders, boat owners, East Indian merchants, and we are also distributors. And not content with that, the old Board saw fit to attempt even to go into the alkali trade and into the soap trade, but about these two I will say more by-and-by. Now we new members of the Board have acted to a large extent as a committee of investigation. At the same time, of course, we have had to conduct the regular routine work of the Company as well. And our investigations have led us to the following conclusions: that, in the first instance, the Company was—I hardly know what adjective to use—but I will say

VASTLY OVER-CAPITALIZED.

And to make matters infinitely worse, it was attempted to work it as a high monopoly. Prices, you remember, were advanced to an enormous extent, and large profits were realised for a year or two, but with the inevitable result of killing the trade in many directions, especially abroad, and of bringing into being a whole crowd of competitors in the shape of salt makers in Cheshire, in Middlesbrough, in Fleetwood, in Barrow, and in Staffordshire. Now, gentlemen, some of those who were responsible very early left the Board, and I believe not without profit to themselves. Their successors struggled on, still maintaining to a great extent the monopolist policy as to the retaining of land, works, and even prices for many markets. The only market in which there was free competition, and which, in consequence, the Salt Union may be said to hold, is the home trade. This policy of holding the prices on the part of the Salt Union has been somewhat in the shape of an umbrella over the heads of many of our competitors, who were not slow to find out which were the most profitable kinds of salt to make—and I may tell you that many kinds of salt have been very profitable to make—and they have gradually cut into the Salt Union's trade, with the result that the Salt Union has lost both its price and its tonnage to a certain extent. The buying of land also has been

MORE OR LESS OF A DISASTER,

for it has locked up a great deal of our working capital, of which we should

be very glad to be possessed at the present moment. We think, gentlemen, that this has been an altogether mistaken policy, and the cause, to a large extent, of the existing position of the Salt Union; but it is only fair to say with regard to the former management that there are some things which they could not possibly avoid, for instance, the loss of trade through adverse tariffs, through high rates, and through the development of the native supplies of salt in foreign countries. And I think it is well that all you shareholders should realise what this development means, and what is taking place at the present. In Australia they have vast salt lagoons, which dry up at certain times of the year, and where they simply have to turn in a big plough to get up pure white salt. The same kind of thing is taking place in California. . . . Therefore, it is perfectly clear that we who make salt in this country have these new sources of supply to compete with. The remedy, so far as we can see, for the existing state of things is

A REASONABLE COMBINATION

amongst those who are making salt. As you know, the lines were laid before we came on to the Board for a combination in Middlesbrough which we have been able to bring to a conclusion, and a limited company has been formed there, embracing all the salt makers. We are bound together for two years at all events, and that combination is working exceedingly well; and I may say that Middlesbrough is the only department of the Salt Union that shows an improvement, so far as profits are concerned, during the past year. That, I think, ought to be an object lesson to all salt makers, that it is only by a reasonable combination that any profit is obtainable for anybody. And by combination, gentlemen, I do not mean monopoly exactly—certainly not in the sense in which it was taken up when the Salt Union was first formed. The combination which we aim at is one which limits production at any rate to the existing pannage and, at the same time, puts prices at a reasonable level. We don't wish, in any way to, as it were, hurt the general public or the general trade, but we want a reasonable and fair profit for our capital and for our exertions. We endeavoured—our Chairman and I, along with the other Cheshire manufacturers—during the space of about six weeks, by very hard work indeed, to bring about a similar combination with regard to Cheshire to that which obtains in the North-Eastern Company at Durham, but after we had got everything as we had thought in order, and the documents ready for signing, I am sorry to say that some of the Cheshire manufacturers who had pledged themselves to come into this agreement refused to sign it. I may say that since then a sort of tentative arrangement has been made with the bulk of the Cheshire and Staffordshire makers, and it promises to go on successfully, and should it do so even the moderate advance in prices which we have already obtained should during the course of the year yield a profit to the Salt Union of some £30,000 or £40,000. So you may judge for yourselves what a very important thing combination is. It is well to remember, however, in this connection, and looking forward to the current year of 1899, that we are saddled with a contract, with an alkali contract, entered into

two years ago, which is at a price which will certainly show no profit as against a profit last year, and that we also have less stock of salt in hand to the value of something like £7,000. These two items together may be put down as £12,000 as against a possible profit, as I have said by the increased prices of the inland trade of some £40,000. I now turn for a moment to

THE INDIAN BUSINESS.

It is too large a question to go into thoroughly, and as I have only had a few hours' notice that I should have to occupy the chair to-day, you must make allowances for me not, perhaps, going into it as thoroughly as I otherwise should have liked to have done. There is no doubt that the trade, according to the figures which we have had to face, for the last year has been nothing short of disastrous. It has been due to shipments made before we came on to the Board, and largely owing to the high freights ruling. For the present the Indian trade account shows a profit, but I don't wish you to place too much reliance upon that, because no one can foretell what the results of the freights may be during the current year. You must understand that while we make a loss on this Indian trade account as I have shown you, it is on the basis of prices which show the works

A MODERATE PROFIT.

So much for the trade of the past year. We believe that you have a valuable property—you paid undoubtedly a great deal too much for it ; but still you have a valuable property. You have, perhaps, the finest works and sites in the United Kingdom for salt-making, you have the command, owing to your geographical position, of trades which your competitors, perhaps with one exception, cannot possibly touch, and you have many valuable brands, packets, &c. The

CARRYING TRADE IS ALSO A PROFITABLE ONE.

If some of the burdens could be removed and the business conducted on true commercial lines, there is no reason why something should not be made out of the concern, always bearing in mind that one of the chief burdens is its over-capitalization, and the locking up of capital in unproductive lands and works. With regard to the management, it was decided, if you remember, that the London Office should be done away with, and that Liverpool should be the centre in future. That we very promptly carried out. The change has worked entirely satisfactorily, and we succeeded in saving some £1,300 a year by the transfer. I may also say that the saving in salaries, owing to deaths and other reductions in the staff, amounts to something like £2,700 as compared with last year. Further economies, through concentration and the cutting off of surplus hands, have to be faced. We hope to make

FURTHER ALTERATIONS

also in the mode of conducting the business, for which we have laid down the lines ; but I am free to confess that Boards and companies are somewhat slow to act compared with what would happen in a private concern, and personally I should like to see some rapid progress made and more drastic

measures adopted. Gentlemen, there is no disguising the fact that the patient is sick. He may be said to be even in a critical condition, and when that takes place you want a doctor to apply prompt measures, and where old diseases have taken root you want the sharp and the clever knife of the surgeon to be quickly applied. I have only left myself a few words to say with regard to the attempt at making alkali and the soap. As far as the alkali is concerned, a gentleman endeavoured to work a patent electrolytic process at our works, which had a prolonged and a fair trial; but we felt that it would not be wise to proceed any further with it. And now with regard to

THE SOAP BUSINESS,

which appears to be looked upon by many of the shareholders as something upon which they may count for a dividend, even should the salt continue to fail in that respect. We have received a large correspondence with regard to the matter, notably some clever letters from a lady shareholder, who tenders us most excellent advice as to the pushing of this department. We quite agree with most of her recommendations, but there are considerations which we are bound to take into account with regard to the soap trade that she leaves out of the account, because she is not aware of them. We admit at once that on the lines hitherto adopted it is and must be a failure, and whether it is worth while our putting it, or trying to put it, on right ones is a matter that is now under consideration. So far £5,000 has been spent, and the plant even is not complete. There is no glycerine plant, without which the soap works, I take it, cannot be profitably worked. To complete the works, and enable them to make a quantity of soap that would be worth while producing, to advertise, to give prizes, discount, &c., would involve anything from a further £5,000 to £20,000 more of expenditure. We are not over-burdened with loose capital, and, therefore, it is a grave question as to whether the attempt to compete with the enterprising and wealthy soap makers already in the field is desirable on the part of the Company. Perhaps before I sit down I ought to say a word with regard to an amount that appears in the balance sheet for the first time, and that is a loan from our bankers. It seems that during recent years the directors have been in the habit of borrowing from the bank an amount to pay their debenture interest, which was very quickly recouped by trading, and was, therefore, paid off, and the amount did not appear in the balance sheet. This year, however, owing to the fact that we have, as I say, had so much of our capital locked up in land—we had to pay during last year and already in January this year large sums of money for land contracts which were entered into before we came on the Board—in this way the available capital of the Company has been locked up, and we have been obliged to go to the bank for actual working capital. But we have

PLENTY OF SECURITY

for that in lands. We have large amounts of land outside even the debenture security, and we have also a reserve fund which, unfortunately

again, has been locked up in land and partly in our own debentures. In that way you will see that we have to show that we owe the bank £25,000 on the 31st December. I will now move: "That the report of the directors for the year ended 31st December, 1898, with statement of accounts and balance sheet now submitted, be received and adopted." I should just like to say that I have received a letter from Mr. Hertz, who made some rather pertinent criticisms at the last annual meeting in London, and it is as well it should be read to-day.

Mr. Holt: I beg to second the adoption of the report.

A Shareholder: Is it now open for discussion?

The Chairman: It will be open for discussion, but I think it desirable that the letter I referred to should be read first.

IMPORTANT LETTER FROM MR. HERTZ.

The Secretary: The letter is from Mr. Henry Hertz, who writes from "32, Powis Square, Notting Hill, London, W., 23rd February, 1899. The Directors Salt Union, Limited, Liverpool.—Gentlemen, Being unable to attend the annual meeting of the Company called for the 28th inst., I beg to notify you hereby of my dissent from the way in which the accounts are rendered in the balance sheet for 1898. I object strongly to the practice being continued of allowing 'goodwill' to appear as an asset. The 'goodwill' of a concern that cannot even pay its debenture interest, except out of capital, is absolutely worthless. I raised this question, as you may remember, at the last annual meeting, and believed after having called attention thereto that such a faulty system would not be pursued under the new management. There is clearly a large amount of writing off needed. Thus properties, works, machinery, plant and goodwill, £3,461,274 10s. 5d.; new works, £5,924 10s. 7d.; distribution agencies and covenants with vendors, £132,276 18s. 9d.; shares in other salt companies, £138,767; total, £3,738,242 19s. 9d.; while surplus freehold estates figure at £106,297 10s. 7d.; steamers, &c., £163,664 6s. 5d.; rolling stock, £128,662 1s. 3d.; total, £398,623 18s. 3d. It is very evident that, since these various assets are useless towards the providing of a dividend, the value set against them in the balance sheet, amounting as on the other side to a total of £4,136,866 18s., is a mere supposition, and so most misleading. It is indeed open to consideration whether so much of the Company's capital has not actually disappeared as to render further trading unjustifiable. The view taken by myself is that it is incumbent on those responsible for the management to draw up a valuation of the assets in accordance with the actual return they yield, which would be the only true estimate of their worth. Under the faulty system of the past, dividends have been distributed which practically came out of capital, and I strongly protest against such a thing being repeated hereafter. If it be possible to continue the business, the only sound way of doing so can but be by taking full account of whatever has ceased to be valuable as an asset, and there and then writing it off. Trusting that these views may meet with your approbation, I should esteem it a favour if you would consent to read

this letter out at the meeting ; since I cannot be present to voice the matter myself.—I remain, gentlemen, yours faithfully, HENRY HERTZ."

CRITICISMS OF THE REPORT.

The Chairman : Before you proceed with the discussion I should like to say the Board has carefully considered this criticism of Mr. Hertz, and I am bound to say there is a great deal in it. But it really amounts to this, that if we were to go into all these matters it means reconstruction. With regard to what he says—"it is indeed open to consideration whether so much of the Company's capital has not actually disappeared as to render further trading unjustifiable"—that has also received our attention, and will receive a much larger amount of our attention in the near future.

Mr. Coghill : Comparing the gross profits of 1898 with those of the previous year there is a shrinkage of £38,180. Has this shrinkage been spread uniformly over all the Salt Union divisions, or have there been fair profits made in one or more divisions which have been swamped by losses made in another division, and, if so, in which division has your trade suffered most ?

The Chairman : With regard to the shrinkage I may say, as I have already told you in my opening remarks, the Durham district is the only one that shows any improvement. Worcestershire even shows a reduction. That is largely due to the shrinkage of our Australian trade. Cheshire shows a considerable reduction. I don't think it advisable to go into the figures, but they are at the service of any shareholder who likes to come and look at them.

Mr. Holbrook : I gave notice of motion a week ago that I should bring forward a resolution at this meeting, and I have great pleasure in bringing it forward. I congratulate you, Mr. Chairman, on the able address you have made, which will perhaps meet a great many of my objections. But for all that I think it only right I should state my objections, and then leave it in your hands for your better judgment. My great wish is that there should be referred back to the committee for their consideration certain points. Those points are three, which I have laid down in the shape of an amendment. The first is in favour of a

REDUCTION OF THE INTEREST ON THE DEBENTURES.

We now see in municipal government, and in Colonial and Imperial matters, that the interest on debentures has been reduced to about 3 per cent., and I consider the Salt Union is such that we are now in a position to talk to the debenture holders, and tell them their interest will have to be reduced the same as other interests have also been reduced. My second point is that the payment of the directors should cease, and that honorary directors be appointed, with a general manager to carry on the business of the Company. The directors have been receiving for a number of years a large sum of money, and our shares have been depreciating in value to the extent of 2½ millions. When such a depreciation takes place I think all ought to meet the loss as well as the shareholders, and I think with honorary directors and a general manager or superintendent the work would be carried on as faith-

fully and as well to the benefit of the shareholders. My third objection is that no preference should be given to distributors to sell salt at market rates to compete with other concerns who have a free hand in this respect, and that the Indian and Chinese markets be kept fully supplied with the health-giving salt from Cheshire. This is another matter that ought to be well considered. It appears by the large sums which have been paid out of our capital that the distributors have been allowed to have salt at a very much reduced rate. Seeing that the shareholders' stock is depreciating in value, for the reasons I have advanced I ask that these matters be referred back for the consideration of the directors. With regard to India, you will see the consumption in India is large. I have in my hand the Government Report, and if you will allow me to hand it in, it will be no use my going into the figures. . . . As regards the other part. If there is nothing done to give confidence to the shareholders then the best thing will be to wind up the concern, instead of the shares being dwindled away by half-crowns. This is a subject for the consideration of the directors, whether to wind up or make a reduction in the interest of the debenture holders and the directors' salaries. If anyone will second my proposition I admit we cannot expect to carry it. It will be for those shareholders to look after their own pockets, and bring such gentlemen on the directorate that the concern will be carried on with a profit, or wind it up, and reconstruct it in such a way that it will be beneficial to the parties who have invested their money in it. No doubt the removal of the office to Liverpool has been

A STEP IN THE RIGHT DIRECTION,

but as the concern has been carried on up to the present—I will not say disgracefully, but anything but beneficially to the shareholders, and I hope that we shall have some returns for the money invested in this Company.

The Chairman : Before I put it to the meeting let me say with regard to your proposition as to the reduction of the interest of the debenture stock in accordance with the example set by Imperial and other stock, I have no doubt we should be willing to get rid of our obligations in that manner, but the debenture holders would have something to say about it. Then with regard to the statement that heavy payments to directors should cease, and that the concern should be worked by a general manager and staff. Speaking for myself, I shall be happy to vacate my place to-morrow if you can get anyone to do the work for the love of the thing. Since the 28th of April last we have held ninety-eight Board and Committee meetings, and they have not been short ones, most of them lasting two to three hours each. Then we have had meetings of subsidiary companies, and they are a great many. We have had a vast amount of work in the endeavour to form a salt combination. I will, therefore, say no more about that, further than if you can get anyone to take the position for the love of the thing we shall be glad for them to do so. Then there was the question that no preference be given to distributors. I am not aware that any is given. We can only get into India in the Calcutta district ; the rest of India is served with native salt, which

we cannot touch in any way. In order to get in what we do we have to do it by merchanting business. Then with regard to

SUPPLYING CHINA WITH CHESHIRE SALT,

we should be glad to do so, but it is prohibited by the Chinese Government—at any rate in bulk ; it can only enter in small packets. Has anyone anything further to say about this ?

Mr. William Parks : I should like to occupy a few minutes. I am pretty well conversant with the salt manufacturing trade. I am not a supporter of the motion of Mr. Holbrook, but I am going somewhat in the same way. You said you would be glad to leave the chair, but I should be sorry to see you do so. You are one of the right sort, and particularly if you take notice of what I am going to tell you. If I show you the way to work the Company at a profit you will be sorry you did not stop. To go back to Lord Thurlow, I told him what a bad state the concern was in. I referred him to a line in the prospectus to the effect that several of the vendors might be called in as a committee of inspection and report. If we made use of that line it would be instructive to him and beneficial to the shareholders. Instead of the directors seeking to borrow more money, and calling up more share capital—£9,000, £20,000 and £100,000—we should have had a reserve fund. If the directors are going to do anything worth while I advise you to make use of that line, and if not seek power from the shareholders to have the concern wound up, and end it rather than for the Company to be compulsorily wound up. The Hon. Lionel Ashley said it was not a question so much of management as high prices. Everyone knew that. But was it not much better to have a management in such a form as to meet any outsider, and not do as you like ? You were speaking a short time ago about approaching the outsiders. Let me tell you if you had been in proper working order, they would have bowed to your ruling. They knew your weakness. The directors in their report sheets have said what good work they have done during the year, and they contemplate doing more. Why, the thing must have been in a shocking form when they started—rotten to the core. I have another thing to say. I was one of a deputation appointed to meet him in Liverpool, and certain things were pointed out to him. “ Ah ! ” he said, “ if I do come I don’t understand it, and I never intend to learn.” I believe that man spoke truthfully. There is another word before I finish. There were five gentlemen elected new directors. You are all in business, and you remember what I said to you in London. I went all the way to London on purpose to support you, but I warned you, and I said, “ You are commercial gentlemen, but you want someone with a practical knowledge at the other end.” You remember my remarks. Now, gentlemen, if you are going to work your business for the Board, you would have to give up your other business and educate yourselves to the management ; but if you will follow this line, you can mind your own business in comfort and still give sufficient time to the Salt Union. I can get men that are officials now under the Salt Union that will carry this out. They are

PRACTICAL MEN,

and you want men of that sort. Before the Salt Union was formed there was such a fight as never was known before. The Salt Union could not have stood it three months.

The amendment moved by Mr. Holbrook was then put to the meeting, but it did not appear to obtain more than the support of the mover and seconder. There was an overwhelming vote against it.

Dr. McDougall : I should like to ask you with reference to some remarks of the late Chairman, Mr. Ashley, at the February meeting in London, with regard to Brunner, Mond & Company and an alleged abstraction of brine or something about brine, I should like to ask what has been done in that matter, if anything has been done, and what has become of it. I should also like to ask if you can tell us anything about the Brine Pumping Compensation Rate Expenses. I should like to ask you further whether it is a fact that the directors paid that sum in direct opposition to counsel's opinion. I should like also to ask you how many of the directors are members of the

BRINE COMPENSATION COMMITTEE,

and if there are still any of the directors on the Brine Compensation Committee, and if, in an action which was tried some little time ago in Chester, one of the directors had given evidence against the Salt Union? With reference to another matter, you appear to have stated in your speech that you had a large surplus amount of land. Will you tell us the reason why you did not come to terms with the Electrolytic Company promoted by Mr. Hargreaves at Sandbach? My information comes from one of the gentlemen who actually conducted the negotiations. It is very important in making a statement of this kind we should be informed as to the actual facts, because through Cheshire there is rather a strong feeling on this point. There is another matter in the balance sheet with reference to the carrying company. Will you tell us by whom the carrying company was promoted, by whom it is managed now, and in whose interests it is managed? I should like to know something about it. With regard to the district managers. You say you have brought your district managers more in touch with the directors. Will you tell us who the district managers are? Will you tell us also whether two of the directors are actually district managers, or practically supervisors of those district managers?

The Chairman : I hope you have copies of these questions, so that they may be answered.

Dr. McDougall : On former occasions the Chairman has taken a note of the questions.

The Chairman : Perhaps I had better take a note and answer each question *seriatim*.

Dr. McDougall : I will correct you if you are wrong. It is rather an important matter to the debenture holders—I hold a large number of debentures, besides being a large ordinary shareholder—to be informed how

it was that Lord Hillington and Mr. Ashley came to resign their trusteeship. Were they invited to do so, or was it a voluntary act ?

The Chairman : It was entirely a voluntary act on their part.

Dr. McDougall : Then I object to Mr. McDowell being appointed a trustee. I am not aware that Mr. McArthur, M.P., is a substantial shareholder of this Company, and I think we ought to have trustees appointed in whom the shareholders would have absolute confidence. My objection to Mr. McDowell is that he took a part last year which I considered inimical to the interests of the Company. I am not going to offer any criticism on your conduct, but from what you have said, I may say that we shall look forward with some interest to what you will have

TO SAY NEXT YEAR

as to the present management of the concern. The Company are now bound to give cordial support to the directors. I take it that you did not find it a bed of roses, but, on the other hand, we had a body of directors who had become familiar with salt-making, and it is a great advantage to have men with a practical acquaintance with salt-making as well as with the commercial side of the trade. Fresh arrangements have been made, and I wish to ask whether those arrangements have been confirmed by the new Board of Directors. It was left to them to settle whether those new arrangements should be carried out or not.

The Chairman : Yes ; all those arrangements have been confirmed, as we deemed it to be in the interests of the Company that they should be.

Mr. Keene : A promise was made in London that certain gentlemen should be put on the Board. I contend that in duty to the shareholders there ought to be

TWO DIRECTORS APPOINTED OUTSIDE,

in the place of the London directors who went out in June. I should be very sorry to say something in reference to the Board, or the way it was appointed, but at the same time the shareholders generally who know the transaction from beginning to end know that the Board is a one-man Board, and it is only fair to the shareholders, considering the critical condition of the Company, that some outside directors should be elected. Otherwise it means going on as they are doing. Before long there will be some very awkward questions to be answered. In justice to the shareholders, and also to yourselves, you ought I contend to fulfil the promises made at the meeting last year, that two new directors from the outside should be appointed on the Board as early as possible.

Mr. McDowell : A promise was made. It was said that if the names were brought forward they would be favourably considered.

Mr. Keene : I say the shareholders ought to appoint the new directors. I should be sorry to throw any discord into the meeting, but it is the duty of the shareholders to have two independent men elected on the Board.

The Chairman : Mr. McDowell has correctly said what took place, and since then we have not had any names before us. We are willing to

WELCOME ANY OTHER GOOD BUSINESS MEN

upon the Board that the shareholders may think fit to elect, but there is something to be said for the old saying that "too many cooks spoil the broth." We are a compact Board, working together, and we have got a certain grip of the business, and any new men coming on would have to learn the thing over again.

Mr. McDowell : On behalf of the committee, I should like to congratulate the new members on the manner in which they have carried out the wishes of the committee—I refer to the expeditious removal of the London office to Liverpool, to the saving by so doing, and creating very little disturbance to the business of the Union. I would remind you that I agree with some of the earlier speakers, that the mere change from London to Liverpool is not going to make the Salt Union successful. Other changes and reforms are necessary. You indicate that you have some such reforms in view, and I would urge upon you the necessity of taking active steps to carry these reforms into effect as early as possible. The condition of the Union, as someone has already stated, is critical. There is no doubt about it, and we cannot afford to let the policy of drift—which has been the policy of the old directors—to continue any longer. We hope you will take the earliest opportunity of carrying into effect the reforms you have in view. I would suggest that the sooner you put responsible heads to all the departments the better.

The Chairman : I should like to say, before putting the resolution to the meeting, and in reply to Mr. McDowell, that on my own behalf, and on behalf of my colleagues, we are very much impressed with the necessity of doing what he has advocated just now.

The resolution was then put to the meeting, and the Chairman declared it to have been carried.

The retiring directors, Mr. William Harvey Alexander and Mr. H. J. Falk, were re-elected.

A SALT UNION SOAP CIRCULAR.

THE SALT UNION, LIMITED.

WINSFORD,

CHESHIRE,

February 18th, 1899.

DEAR SIR OR MADAM,

We had the pleasure of notifying our Share and Debenture Holders about this time last year that our Soap Works were then rapidly approaching completion, and we asked them to support this new branch of our trade by ordering through their local tradesmen supplies of the various Soaps made by us.

Our request was not very largely responded to by the Shareholders, upon whom we again urge the desirability of ordering our Soaps through their tradesmen, and insisting on being supplied with them.

The Soaps now being made are of the very highest quality, composed of the best materials, and by means of the most modern plant an excellent finish is given.

The Toilet Soaps made are :—

"*French Milled*" (for sensitive skins).—Made in various colours and delicately perfumed. Packed in daintily-labelled Cardboard Boxes containing three or twelve tablets.

"*Visitors' Tablets*."—Small tablets of Milled Soap for Visitors' use. Various colours and perfumes. Six tablets in a box.

"*'Saltunia' Society*."—Specially adapted for use with "*Saltunia*" Bath Salt, or with hard and for Salt Water. Packed six or twelve tablets in a box.

The Household Soaps are made in bars :—

"*Primrose*," "*Mottle*," "*Brown*," "*Curd*," &c., and in twin tablets.

"*Weaver Washer*."— } For domestic purposes—12 oz. twin tablets. Wrapped
"*Severn Soap*."— } and packed in handsome cartons containing three twin tablets.

"*Weaver Carbolic*."—The finest Disinfectant extant. Wrapped only in 12 oz. twin bars.

All Soaps are embossed either with the name of the Company or its trade mark.

We would also call attention to the "*Saltunia*" Bath Salt specially made by us to combine the advantages of a Brine with a Sea Water Bath. Unlike other Bath Salts, "*Saltunia*" dissolves instantly. The aromatic essences used in the manufacture of this Bath Salt have been selected on account of their possessing in a high degree antiseptic and refreshing properties.

Yours faithfully,

THE SALT UNION, LIMITED.

REPORT FOR 1899.

Report of the Directors for the year ended 31st December, 1899, to be submitted at the Eleventh Ordinary General Meeting, at the Law Association Rooms, 14, Cook Street, Liverpool, on the 12th day of March, 1900.

1. UNION'S TRADE, 1899.—The deliveries of Union salt in 1899 were 924,000 tons as compared with 967,000 tons in 1898. The principal decreases have been in the exports of salt to British East India, and of rock salt to the Continent. On the other hand there have been increases in the exports to the West Indies, Central and South America, and Australasia.

2. COST OF MANUFACTURE.—Throughout the year the Union has had to contend with enhanced cost of production, due to the rise in prices of fuel and other materials; hence it is of the utmost importance that prices of salt should be well maintained.

3. BRITISH SALT ASSOCIATION.—The negotiations which took place in 1898, between outside salt manufacturers in the north-western district and the Union, did not result in a permanent organisation. Subsequently, however, the negotiations were resumed, and an Association for regulating salt prices was formed, which is working fairly satisfactorily.

4. SURPLUS LANDS.—In the autumn of last year the Board offered for sale by auction some of the Union's surplus lands in Cheshire, reserving the rock salt, brine and minerals thereunder. Several small lots were disposed of, and the nett proceeds credited to Capital Account. It is hoped that purchasers will be found for other sites. Some of these are situated near to coalfields, and possess excellent railway and water facilities.

5. MAINTENANCE OF PLANT, &c.—The District Managers of the Company have certified that the respective works, plant in operation, craft and rolling stock in their several districts have been maintained, and where necessary renewed, during the year 1899.

6. REORGANISATION.—Further progress has been made in reorganising the conduct of the business of the Union. The office of General Manager has been discontinued; other changes and reductions in the staff have been effected; and one of the subsidiary selling companies has become merged in the general organisation of the Union. The Cheshire Salt Distribution business of the Union has been concentrated in a Sales Department at the Liverpool Office under a Commercial Head. A Works Committee of Directors has been established to visit the Cheshire district weekly, and the other districts from time to time, with a view to effecting further improvements and economies in the working.

7. BALANCE SHEET.—During the year the sum of £2,588 13s. 5d. expended on necessary alterations and extensions has been charged to General Capital Account.

PROFIT AND LOSS ACCOUNT.—The amount standing to the credit of this account for salt, brine, carriage and sundry trading, was £156,212 9s., and from other sources, £18,663 os. 3d., making the total amount £174,875 9 3

After deducting the cost of maintenance of plant, distributors' discounts, agency, and other charges set forth in the Profit and Loss Account, the profits from all sources amount to £58,601 14 9

Deducting the Debenture Stock interest paid on 1st July, 1899, and 1st January, 1900, amounting to 54,000 0 0

Leaves a balance of £4,601 14 9

This amount has been written off the cost of acquisition of distribution businesses and covenants with vendors.

By Order of the Board,

E. C. WICKES,

Secretary.

45, TOWER BUILDINGS, LIVERPOOL,

3rd March, 1900.

ELEVENTH ANNUAL MEETING AT LIVERPOOL.

The Annual Meeting of the shareholders of the Salt Union, Limited, was held on March 12th, 1900, at the Law Association Rooms, Cook Street, Liverpool, to receive the report of the directors for the year ended December 31st, 1899, with statement of accounts and balance sheet for adoption, to elect directors and auditors, and to transact any ordinary business. The chair was occupied by Mr. Thomas Bland Royden, Liverpool (Chairman).

THE PRESIDENTIAL SPEECH.

Mr. George Henry Cox, of Liverpool (the Deputy-Chairman), said: I believe many people went away from our last annual meeting with the impression, after the speech I then made, that we might have a surprise for you this year, but I can assure those present that it was not so. When we took our seats on the Board it would have been difficult to paint the condition of the Company in too black a colour, but, nevertheless, I may say all feel very much gratified that we are able to bring before you to-day such a satisfactory report; and I think all fair-minded men will consider that this is a satisfactory report when you take into consideration the difficulties with which we have had to contend, which have required, I can assure you, very strenuous labour on the part of all of us on the Board. We have spent an immense amount of time, and given a great deal of attention to your affairs,

and I believe that it will require to be continued perhaps even in a greater degree than in the past if we are to bring the Salt Union to a really satisfactory condition. However, from what we have seen of what we can do this year, I think it gives us very great hope that we shall be able to do the same in the succeeding years. We have at all events put the working concern I think into a much more harmonious condition than it was before. A good deal remains to be done, as I have said, but I think we have got the concern on the right lines. One of the things we have succeeded in doing I may mention specially, and that is the creation of a commercial department in Liverpool. We have been very fortunate in getting an exceedingly capable man to take the head of that important department, and I think that all our old customers feel that their business is well attended to. We have also been fortunate in securing fresh business as well. In these days of active competition—because in spite of the combination there is a very active competition in some quarters to get the orders—the Chairman has said we must do all we can by reasonable combination to maintain prices, especially for the home trade, on a fairly remunerative level. You must remember that a large proportion of our trade can only be secured by competition with foreign countries. There we can only, to a moderate extent, feel the benefit of combination; we have, in other words, to have a different scale of prices to meet the competition in foreign countries compared to the home trade. I do not think I need take up your time further, and I now formally second the adoption of the report.

THE DIVISION OF PROFITS.

The Hon. Henry Holbrook: I would like to make an observation or two. There are about £3,000,000 in shares. We have met this year and there is no return at all given for the money. It is taken up by debenture holders, but I maintain that those holders ought in some way to be content to receive a less dividend than they are at present receiving. We ought to find the means of doing so, in order that some profit can be given to these unfortunate shareholders who own such a large amount of shares. The old directors I blame more than any other in the transaction; the people who started the affair are certainly to blame for the great loss that has been sustained by the Salt Union shareholders. It is something enormous when you come to consider it. Again, I spoke of another matter last year. That was the salary of the directors. I consider that the payment of the Chairman and Vice-Chairman is sufficient, and that the other directors ought to be paid, as in other companies, after a dividend has been declared. We are brought here just to be looked at again, told to be good people, to lose our money and to look pleasant. Now, gentlemen, I don't bring forward any resolution this year. It is for others more largely concerned than myself if they see fit to do so. But I look upon the whole affair as being in a glorious muddle. I must say we have one of the best business gentlemen in Liverpool as our chairman, and I put it to him that he will in some measure use his brains so as to bring the business to a successful issue, in order that we can get some

benefit. A very large sum of money has been given to carry on the Salt Union, and that money is muddled away instead of going into the pockets of the shareholders. With these few remarks I will leave it to others to bring forward any resolution they may deem advisable. The stern fact remains that no interest is paid on the three millions of money, and the shareholders stand in this position, that they ask for some scheme to be formulated that they may receive some return for the large amount of money they have expended in the Salt Union.

The Chairman : I quite sympathise with the last speaker, seeing that my holding is entirely in ordinary shares, but I am afraid we shall not be able to get the debenture holders to forego their rights.

MR. MCDOWELL'S COMMITTEE'S EXPENSES.

Mr. J. H. Cooke : Before the resolution is submitted, Mr. Chairman, there are one or two questions that I should like to ask. In the first place, I wish to ask whether Mr. Frederick Walker, the secretary of Mr. McDowell's Committee of Investigation, has been paid any, and what sum, in respect of that Committee ? I also wish to know when it was paid, and to whom, and upon what advice ?

The Chairman : In reply to Mr. Cooke's question, the sum of £484 1s. 4d. was made in April, 1899. Before that payment was made the Board were advised by their solicitors, Messrs. Bateson and Company. They wrote : " The appointment of the committee was unanimously confirmed by the shareholders at a meeting on the 28th of February, 1898, and we think that, having regard to the confirmation, none of the shareholders could now object to the committee being paid expenses incurred in the interests of the shareholders, and with their authority. Apart from this, however, it seems to us that the money may be said to have been expended in the interests of the Salt Union generally, and that the committee are, therefore, entitled to be reimbursed what they have spent." They afterwards wrote : " We are of opinion that the shareholders' committee were justified in employing a solicitor, and we, therefore, think that the Salt Union may reimburse them all reasonable charges paid by them to their solicitor."

THE UNION'S CLAIMS FOR SUBSIDENCE.

Mr. Fells : With regard to the brine pumping compensation rate, I regret to see there is still a sum of £2,000 appearing in the account in connection with that rate. May I urge upon the Board the desirability of further concentrating their works at Winsford so as to reduce this rate to a minimum ? I hope the Board will persevere and continue in those steps. There is another point to which I ought to call attention, and that is, that this company is not only in the position of paying a heavy compensation rate, but is in itself a big sufferer from subsidence in the Northwich district. Might I suggest, Mr. Chairman, that, with your usual courtesy and so well known fairness, you should approach the other brine pumpers in the district with a view of getting them to see any equitable claim that may be made upon them ? I think if you yourself, sir, personally took that step, you would

probably receive some substantial consideration for the shareholders. There is one other point, and that is this. During the two years, or nearly so, that the present Board have been in office, they must have been convinced that the fundamental difficulty in connection with this company is that of over-capitalization. I would urge the Board to take this matter very carefully into consideration. Some two years ago a suggestion was made in connection with the Company for a reconstruction on the lines successfully carried out in the case of Borax Consolidated, and I hope the directors will give attention to this matter, so that the Company may be placed on a more sound and solid basis. I believe that a scheme of reorganization would be worthy all their powers and ability, and ought to take precedence over these minor changes in regard to staff and such like, which, after all, are not so important.

RECONSTRUCTION MERITABLE.

The Chairman : I quite agree with the remarks of Mr. Fells with regard to Winsford. There is no doubt that we have had it in view, as he very well knows, and the difficulties that surround it render it somewhat difficult of attainment. We have various properties, some freehold and some leasehold, and we have to pay rents for certain properties whether we use them or not. Therefore we are bound, in some degree, to keep them going because of the rent we have to pay ; but so far as practicable, and so far as the position of the works goes for making the various kinds of salt and their adaptability either for rail or water as the case may be, we do desire to save our rate as far as we can by making as much salt and using the works at Winsford as much as we can. I am glad to hear from my friend, Mr. Ward, that the claims for compensation this year are much less, and, therefore, we may expect some amelioration with regard to the rate for brine pumping. But we shall not lose sight of the advantages we have at Winsford. I am pleased to hear that Mr. Fells thinks that if a meeting of the brine pumpers could be convened, some arrangement to our mutual advantage might be made. I shall be pleased to endeavour to arrange such a meeting. With regard to reconstruction. There is no doubt that some form of reconstruction, when the Company gets upon a solid working basis, will have to be done in the interests of all. The difficulty no doubt will arise as to how far the preference shareholders should give way and how far the ordinary. I think I may safely promise on behalf of myself and co-directors that we will give our earnest attention to this because we feel that the capital of the company was made on a basis of having a strict monopoly. Well, I am not, of course, going to enter into a discussion of the merits or demerits of the prices paid, but there is no doubt that so far as an absolute monopoly goes in the salt trade, such a thing does not exist, and, in my opinion, never will exist again in all probability. Therefore it would be as well to put the company, if possible, on a sound basis with regard to the position it holds. It will require considerable care and attention in dealing with it—in reconciling the different interests, but I hope that ere long, when we have got things

into thorough working order, we shall be able to turn our attention to helping forward such an arrangement.

PROPOSAL TO INCREASE THE BOARD'S REMUNERATION.

Mr. Fred Walker: It seems to me that you did not quite deal with the remarks of my friend, Mr. Holbrook, who first addressed the meeting. It is perfectly true that you dealt with his ingenious proposition—that you should cease to muddle away more of our money in paying our creditors, and if we could cease to muddle away the money it would be a desirable thing to do. But there is one other point to which he called your attention of which you did not speak, and I venture to ask the permission of the shareholders to make a few observations upon it. I refer to the question of the remuneration of the directors. Now according to the figures in the account placed before us, the remuneration of the directors, including travelling expenses, comes to the sum of £2,627 10s. 8d. According to my reading of the articles of association that is, at least, £2,000 less than you are entitled to receive by the articles under which you are carrying on this business. It seems to me, therefore, that the proper thing for the shareholders to consider is, not whether your remuneration should be cut down, but with regard to the question of the Board of Directors, like the present, which has had to fight the tiger through very great difficulty, and has had to face difficulties not of their own creating, it would be more fitting on our part, that, out of the £4,000 carried forward, £1,000 should be divided among the directors as some slight recognition of the way in which they have performed their duties. We are all agreed that we have got a good Board of Directors, such a Board as we cannot get in any other city of the empire, and certainly not in London, where I live, and therefore I venture to submit that they exercise the powers under their articles of association, of taking, for the extremely difficult and arduous labours they have put forth, an extra £1,000. This is no paradox. There is an idea that directors are only our servants. My opinion is that when you have a good servant the best thing to do is to keep him. I say that £2,000 is not sufficient payment. The chairman is entitled to £1,500, and the vice-chairman £1,000. Of course, at the present time, they will not run away from us, because their zeal is in the company. But this wears out sometime. If the Salt Union is going to pay a dividend it will be due to the efforts of the directors. The extra £1,000 would not mean one penny to each shareholder. Therefore, I ask to be allowed to add as a rider to the resolution that the report and statement of accounts be received, and that the directors be asked to take £1,000 as a remuneration for their services.

The Chairman: I am obliged to Mr. Walker for his kind remarks, but I can assure him the directors will not accept any more remuneration until the Company is in a better position.

TWELFTH ANNUAL MEETING AT LIVERPOOL.

The Twelfth Ordinary General Meeting of the shareholders of the above Company was held on March 12th, 1901, at the Law Association Rooms, Liverpool, to receive the report of the directors with statement of accounts and balance sheet, to declare a dividend on the preference shares, to elect directors in place of those retiring by rotation, to elect and fix the remuneration of auditors, and to transact any other ordinary business. The Chairman, Mr. Thomas Bland Royden, presided.

THE DIRECTORS' REPORT.

Union's Trade in 1900.—The Salt Union deliveries in 1900 were 853,000 tons as compared with 924,000 tons in 1899. The shortage was caused mainly by the exceptional difficulty experienced in obtaining ships to carry salt to the East Indies. The unfortunate results of the fishing around the Scotch and Irish coasts also caused a substantial decline in the sale of fishery salt. To most of the other important markets the Union's deliveries show a satisfactory increase.

Cost of Manufacture and Maintenance.—Fuel has cost the Union £35,000 more than in 1899, and the prices of other materials have been correspondingly high, thus considerably enhancing the cost of manufacturing salt. For the same reason the cost of maintenance has exceeded that of last year by nearly £7,000.

The Salt Association for regulating prices has worked fairly well during the past year, and negotiations between manufacturers are now proceeding for putting it on a more equitable and permanent basis.

Further reorganization has been effected in the Cheshire salt district, where the works sub-committee of directors appointed last year meets weekly at Winsford, and less frequently in the smaller salt districts, for the purpose of exercising closer supervision over works and operations.

Gas Producer and Ammonia Recovery Plant.—With the object of reducing the cost of salt making your directors are negotiating with Dr. Mond for the erection of his gas producers, and plant for the recovery of ammonia at the Union's Salt Works in Cheshire. Mr. Foster is trying his process of vacuum evaporation at Winsford, and if his guarantee of results be attained the process will be of substantial advantage for salt manufacture.

Maintenance of Plant, &c.—The district managers have as usual, certified that the respective works, plant in operation, craft and rolling stock, in their several districts, have been maintained, and where necessary renewed, during the year 1900.

PROFIT AND LOSS ACCOUNT.—The amount standing to the credit of this account for salt, brine, carriage, and sundry trading was £174,074 14s. 10d., and from other sources £21,141 4s. 1d., making the total amount .. £195,215 18 11

After deducting the cost of maintenance of plant, distributors' discounts, agency, and other charges set forth in the Profit and Loss Account, the profits from all sources amount to 70,227 11 6

Deduct the debenture stock interest paid on 1st July, 1900, and 1st January, 1901 54,000 0 0

Leaves a balance of £16,227 11 6

Your directors recommend that a dividend for the year ended 31st December, 1900, be declared at the rate of one per cent. on the preference shares, which will require £10,000 0 0

And that there be carried forward 6,227 11 6

£16,227 11 6

Also that the dividend be payable on and after 30th March, 1901, to shareholders registered 25th February.

The Chairman in moving the adoption of the report said: I first of all congratulate the Salt Union and those interested in it that we have for the first time for some little time been able to commence paying a dividend on the preference shares. It certainly is not a very large one, but I hope it is an earnest of better things to come. When it is considered that we have been able to do that from the time you did us the honour to appoint the present Board you will agree that it is satisfactory. We have made a steady increase year by year. In the first year we were not able to make sufficient profit to pay the entire debenture interest. The second year we did that and carried forward a small balance; and this year we have done so, and propose to pay one per cent. on the preference shares and carry forward a small balance. When we consider that this has been done in the face of a considerably diminished trade and the very high prices which have ruled for fuel you will agree with me that, at any rate, the best has been made of the circumstances. The cost of fuel alone accounts for something like £35,000 out of our gross profits—costing that much more than it did the year before, while in that year it cost something more than in the preceding year. With regard to the diminished output, I should hope that under better circumstances we shall be enabled to increase our trade. But a variety of difficulties have kept that back, notably the difficulty of obtaining suitable tonnage to send salt to British India. The principal deficiency

in trade has been with India, and I am glad to say that, notwithstanding that, if you take the diminished salt trade of the whole country, we have maintained our percentage of the year before. No doubt the cost of manufacture has, naturally, also been increased, because the cost of iron and steel and a variety of different articles which were required to keep our barges and our plant in proper order has also been more, and that accounts for another £7,000. I mentioned at the last meeting that we were endeavouring to negotiate with the other makers of salt with a view of placing the trade on a proper basis and a more profitable footing. The association that was then formed succeeded fairly well, and I trust that the result of that has been to show all concerned that, within proper and reasonable limits, the trade may be a much better one and a paying one. The other point that I wish to bring before you, because I think it is a very important one, is that we are working with a gentleman of great experience, Mr. Foster, with a view to producing salt at a cheaper rate. I inspected his plant a few days ago, and I am happy to say that he is very sanguine that he will be able to fulfil the guarantee he gave us, which if he does, will, I think, bring the cost of making salt down very considerably. There is also another important matter, and that is the directors are arranging with Dr. Mond to put up his apparatus for extracting sulphate of ammonia. I think we have a very good guarantee in that gentleman, whose capabilities have been shown in the firm with which he is connected, and I trust that also may be the opening of a new way of bringing a considerable profit to the shareholders of the Salt Union. Of course this will require a certain amount of capital, and we have at the present time something like £50,000 unissued debentures. It may be found necessary in order to put down this plant that we should issue these debentures, and I trust the response will be such as to secure the support of the preference shareholders and ordinary shareholders in helping us to bring about what I consider a very profitable arrangement. Now, gentlemen, I should just like to go through the accounts with you.

As to the profit and loss account. The maintenance of plant, as you will see, comes to £48,430 14s. 5d., against £41,822 11s. 4d. Then we have administration expenses, management, salaries, stationery, general expenses, &c., amounting to £28,407, as against £30,740. Then, with regard to the special services of directors (previously included in administration expenses), £2,200, it was thought by the directors that the special remuneration should be a separate item, so that it is clearly understood what it is. We have established the Works Committee, consisting of a certain number of the directors of the Company, sitting at least once a week in Cheshire or in other parts. It was deemed that, by coming into closer contact with the heaviest of divisions, and with the staff generally in Cheshire, and other places, it would result in a more economical working; and the result has shown that it has been the case. We feel now that we are absolutely in touch with all our staff, and any improvements they can suggest, or any information we require, we can get, and act upon it at once. The rates and taxes,

£7,222, are nearly the same. The estates' maintenance and rates come to £2,567 18. 3d., and the gross profit on salt, brine, carriage and sundry trading £174,074 14s. 10d. against £156,000. With these few remarks I beg leave to move: "That the report of the directors, with statement of accounts and balance sheet, for the year ended 31st December, 1900, now submitted, be received and adopted."

Mr. George Henry Cox (deputy chairman) said: I have much pleasure in seconding the resolution which the Chairman has just read to you. He has gone so fully into the various matters in connection with the business of the Union during the last year that, perhaps, it is unnecessary for me to say more than a few words. What I would like to allude to, however, is the continuation of our work with regard to the reorganization of the Union in its various branches, and I have particular pleasure in doing so, because a good deal of that work, I dare say some of you know, has fallen to my share. I think, as the Chairman has already said, we may congratulate ourselves upon having effected a great many economies and, at the same time, I am satisfied that we have increased the value of the concern. I will just mention one item to show you the direction in which we have gone. Take the question of salaries alone. Since we came on the Board we have reduced the salaries to the amount of £5,600 odd; that is the nett amount. We have, where we thought it desirable, increased the salaries of those rendering efficient service to the Salt Union. We have spent considerable money on our craft, and I think it is in better condition than it ever has been since the Union was started. I wish to make it clear that whilst we have been alive to strict economy in various directions we have not skimmed expenditure where it was likely to prove a benefit to the Union.

Mr. Fells: With regard to the directors' fees. I do not think any item approaching these figures has appeared in the books since 1891, when the Company was practically paying a very good dividend. It works out about £700 each, and perhaps you will, in your remarks, kindly tell us how that is divided, and also what relation it bears to the value of shares the directors have in the Company. I think it is a very high charge, and although I admit that the gentlemen are of a very excellent character and position they have not yet done elementary justice to themselves. The directors have now been in power for three years—they have had the responsibility of this Company for three years—and what they are doing to-day is to congratulate themselves on having got the Company back to the position of 1897. I say you have not done justice to yourselves for this reason. Every year we have seen paragraphs about reorganization, but there has been no drastic measure dealing with this important measure of reconstruction. Your reorganization has left you with an increase of 0·1d., and last year you rather agreed with the suggestion that the only salvation of the Company was through a scheme of reconstruction. I would urge this upon you as a wise resolve. In considering the further issue of debentures to enable you to try a more economical method of salt production, I would ask you to consider whether, when there is a known loss on the capital account,

the preference and the ordinary shareholders should not divide that loss equally. Is it at all fair that with this large loss on capital account you should apply your profits by way of dividends without practically having dealt with the reconstruction of the Company? That is a scheme that would be worthy of the ability of the gentlemen whom we see before us, much more than these small reorganizations involving locomotive visits to the works at Winsford at a weekly cost of £14. I ask you to rise more to the occasion, and endeavour to deal with these problems in a more solid way than by dismissing an official here and an official there. I observe your bad debts have increased from £969 to £1,500, and that your law and parliamentary expenses, which we were told might vanish altogether, have increased from £484 to £1,100. Perhaps you will kindly tell us what law and parliamentary work you have been engaged in that have caused this increase. There is just one further point I would like to mention, and that is I observe for the first time an item in this account: "Fees and expenses of debenture trusts." I am not aware of that having been in the accounts before. It may perhaps have appeared somewhere else last year; if not I have no doubt that your auditors have wisely insisted that it should appear as a separate item. Your previous trustees had no remuneration for their services, and the gentlemen who are the present trustees are men of great capacity, and ability, and of considerable wealth, and I would suggest that in these hard times they may imitate their predecessors. If, on the other hand, the item which appears under that head is for some legal gentleman who has given some assistance in the past and who is likely to give similar assistance in the future, I ask you whether that is a charge that should be borne by the ordinary shareholders. Strictly speaking, I think your auditors will tell you that that is a charge on your debenture holders, and not the ordinary shareholders. Then, as to your decrease in trade, that must have a serious effect upon your plant and properties. You don't hold out much hope, except the hope which has been held out from year to year that the salt trade may increase, and I do ask whether you and your colleagues will apply your well-known abilities to the real point in connection with the Company—the necessity of a reconstruction to deal equitably between the preference and ordinary shareholders, and enable you to get the concern in a sound position.

The Chairman said: I am sorry I have not been able to take down *seriatim* the points which Mr. Fells has brought before us. First of all, I don't think you clearly understood what I said about the directors' fees. The item of £2,200 includes £1,500 for special services rendered by Mr. Falk and Mr. Ward. We have always included that in the administration expenses prior to this year, but the auditors thought that it ought to appear as a separate item. Therefore we have taken it out of the administration expenses, and put it in its present form. I must join issue with Mr. Fells when he says we have only been brought back to the position in which the Company stood when we came into office. I am free to confess that I think if the directors had known exactly the true position of the Company, I am

not sure whether anyone would have been very keen to come on the Board at all, for the difficulties of finance were very considerable. While we had an overdraft at the bankers, we also had a considerable drawing on our shipping agents on accounts of the shipments of salt to Calcutta. As a matter of fact we had to bear the burden of that in addition to the Wheelock property at £14,000, which we had to pay for. I am happy to say we have got the Union in a much better position, and the finances are in a sound position. Again, when you quote the gross profit as being 8d. more than then, you must remember the additional cost of coal as compared with that period. Coal was very cheap then, and if we had coal as cheap to-day we should have been able to manufacture our salt at the price of the date you speak of, and have shown a magnificent surplus indeed. Now, I come to the main point which you have mentioned, and I admit that it is a very difficult and thorny question. That is as to reconstruction. I may tell you that it has occupied the attention of the directors ever since last year, in conjunction with their legal advisers and Messrs. Banner. It appeared as if two courses only were open. The first was to wind up the Company and reform it. Well, on looking into the matter, so many difficulties presented themselves, the question of leases and other property, and a variety of circumstances that in my opinion would have produced such a state of things that possibly the debenture holders would have been safe, but there would have been very little left for the ordinary and the preference shareholders, because when you wind up an estate of this magnitude you lose some of your best covenants and possibly have claims against you which would be absolutely fatal to the large interests of the preference and ordinary shareholders. Such a course could not recommend itself to the Board, and that we had to entirely give up. Well, then, gentlemen, there was the other method of proceeding, and that was by consent, as it were, by three-fourths of the gentlemen who have the preference and ordinary shares. What is the position? It has been suggested to me that the debenture holders should see their way willingly to reduce their rate to four per cent., and I for one, as an ordinary shareholder, would rejoice. But, gentlemen, I am not sanguine that that course would commend itself to the debenture holders. Then we come to the preference shareholders. I have thrown out a suggestion that if they will assist in forming a committee, together with the ordinary shareholders, to meet the Board, that they will be most welcome; and if they will come forward with a suggestion that they should take one-half of the capital off to put the ordinary shareholders on a fair basis, and if the ordinary shareholders will consent to reduce their holding, well then you will get a capital suitable to the exigencies of the salt trade. You are just as well able to judge as I am, or any gentleman on this platform, whether such a course will commend itself to the judgment of the preference shareholders and ordinary shareholders. That the nominal capital, so to speak, is excessive no one who knows anything about the matter will deny for a moment. The value placed on the undertaking, when joined into the Company of the Salt Union, may have been high. I have no means of

ascertaining upon what basis they went, as I was not then a director of the Union. There was a certain amount paid for goodwill, and possibly it was done on the assumption that they were to have an absolute monopoly of the salt trade. I don't think it was wise or prudent for the original directors to have rushed up the price of salt as they did. It provoked opposition and brought about the state of things from which we have been suffering. But there can be no question that if monopoly is a thing of the past, combination may do much; but if you had an absolute monopoly of the salt trade there is no reason why you should not see the state of things that existed earlier on. But I am not sanguine that any such monopoly is possible under present circumstances, because since that date salt has been found in almost every quarter of the globe. Protective duties have been put on, and our foreign trade has suffered considerably. The mere fact of reducing the capital won't bring in any more revenue. That is perfectly clear. It may be a wise thing to do to suit the capital to the needs of the trade, but the question is, how far each interest will concede a point to bring about that desirable state of things. I venture to say that the Board would be very pleased if certain representative gentlemen from the preference shareholders and from the ordinary shareholders would form a committee and meet, because the whole pith of the thing depends upon coming to an amicable arrangement between those two. They can formulate a scheme. I throw out this suggestion because as far as we have gone we feel that some amicable arrangement of that sort, or amicable suggestion of that kind, is the real crux of the whole position and will bring about the good interests of all concerned. It would be a very desirable thing to do.

A Shareholder : I should like to know how the reserve fund, £108,000, is invested.

The Chairman : It is largely in our property. You will see the large balance we have to keep, by looking at our stock of salt, £86,000. The money is invested in the business of the Company. We have something like £20,000 of our debentures bought from time to time out of it.

Mr. Fells : How about the law expenses and fees ?

The Chairman : A large amount of it was spent in opposing the Widnes Brine Bill. If they could have brought brine across into Lancashire, it would have seriously injured Cheshire. The increase is greatly due to that matter.

Mr. J. H. Cooke : There is nothing said in your report respecting the soap works you have started at Winsford. I am quite certain they are a valuable asset; but they are not supported as they ought to be. I understand it would require a considerable amount of money to thoroughly advertise this department; but if the 5,000 shareholders would do their best to support the works they would bring in a substantial profit to the Company. If everyone connected with this concern would buy from their grocer the particular class of soap—which I can assure you is the best possible class of soap—made by the Salt Union, and which is sold much

cheaper than those heavily advertised soaps, it would prove highly advantageous. If the directors will take the matter in hand and support it by advertising, we shall be benefited.

The Chairman : I wish I could give a favourable report. We have tried the soap works, and have urged our own travellers, and engaged special ones, to push the sales. We have also appealed to the shareholders by circulars so as to get the soap sold, but, unfortunately, without any appreciable effect. Everything has been done with the exception of largely advertising the article, and I am not sure even then we should have done any good. It means the spending of £20,000 or £30,000 in advertising. The Board did not think it wise to spend that amount. If, however, Mr. Cooke has any particular friend likely to purchase the works from us, we will sell them at a reasonable rate.

SCHEME FOR REDUCTION OF CAPITAL.

At the general meeting of the Company held in March of the present year, the chairman foreshadowed a scheme for the reduction of the capital of the Company. Since the date of that meeting the directors have made a careful enquiry into the values of the Company's assets, with the result that they are prepared to discuss with the shareholders, or a committee to be appointed by them, a scheme for the reduction of the capital of the Company, on the following lines :—

On the best estimate they are able at present to make of the depreciation of the Company's assets, they consider at least £1,400,000 of the Company's capital should be written off.

In round figures the following is their provisional estimate :—

	<i>Estimate approximate depreciation Book Value. and reduction proposed.</i>	
Freehold and leasehold properties, goodwill, works, machinery, plant, etc.	£3,473,996	£1,067,275
Acquisition of distribution businesses and covenants with vendors	130,353	130,353
Surplus freehold Estates	107,267	32,267
Investments in other salt trading and carrying companies	134,807	64,807
Steamers, barges and appliances	163,692	48,692
Rolling stock	126,606	56,606
	<hr/>	<hr/>
	£4,136,721	£1,400,000

It is manifest that to replace the depreciation out of surplus earnings over and above fixed charges would take a number of years, and in the

meantime no dividends would be paid on the preference share capital or on the ordinary share capital. A large reduction of the share capital therefore appears to be necessary.

The directors suggest that the most practical way of reducing the Capital will be by writing down the ordinary and preferred stock in proportions to be hereafter agreed upon.

Of the several schemes of reduction which the directors have considered, they commend the following to the consideration of the shareholders :

				<i>Income Required.</i>
A. Debenture stock	}	No change.	{	
B. Debenture stock				
			£1,000,000	£45,000
			200,000	9,000

SCHEME OF REDUCTION.

7% preference shares (reduced from £1,000,000 to £700,000)	..	..	..	..	700,000	49,000
Ordinary shares (reduced from £2,000,000 to £1,000,000)	..	..	..	..	1,000,000	
						<hr/>
						£2,900,000
						<hr/>
						£103,000

Other schemes have been considered which involve applications for Parliamentary Powers, and the Board think that in case any of these other schemes is approved it is desirable to give Parliamentary Notices for the ensuing Session, and this they will proceed to do. But the scheme set out will not, if carried, require Parliamentary sanction.

As the interest of both classes of shares is affected by the proposed alterations, the directors will propose to the meeting that the ordinary shareholders and the preference shareholders shall appoint a committee of two or three persons from each class to represent them, and that it should be delegated to such committee (to whom the Board will afford all such information as they may reasonably require) to confer with the directors and to report to a subsequent meeting whether the proposed reductions are fair and reasonable.

By order of the Board,

H. BOWMAN,

Secretary.

LIVERPOOL, 12th November, 1901.

THE REDUCTION OF CAPITAL.

SCHEME APPROVED BY SHAREHOLDERS.

On February 4th, 1902, meetings of preference and ordinary shareholders, followed by a separate general meeting, were held in the Large Hall, Exchange Station Hotel, Liverpool, to consider the report prepared by the special committee, and to pass resolutions confirming provisional agreements for the reduction of the capital, and for modifying the rights and privileges attached to the preference and ordinary shares.

COMMITTEE'S REPORT.

The report of the committee appointed at the extraordinary general meeting of the shareholders of the Company, held on the 19th day of November, 1901, read

By the resolution under which your committee were appointed they were charged with the duty of reporting on a scheme for the reduction of capital which might commend itself to them and the directors. After careful consideration the committee submit the following report:—

The directors considered that at least £1,400,000 should be written off, and your committee after consultation with Mr. Harmood Banner recommended that £1,600,000 be written off. The figures as altered have also been approved by the auditors.

Of the many schemes of reduction which they have considered, the committee and the directors have unanimously approved the following; and it has further had the approval of such of the large shareholders as they have been able to consult.

				<i>Income Required.</i>
A. Debenture stock	}	No change.	{ £1,000,000	£45,000
B. Debenture stock			{ 200,000	9,000

SCHEME OF REDUCTION.

7 per cent. preference shares (reduced from				
£1,000,000 to £600,000, that is from £10 to				
£6 a share)				600,000
				42,000
				(subject to
				increase,
				as herein
				provided).
Ordinary shares (reduced from £2,000,000 to				
£800,000, that is from £10 to £4 a share) ..				800,000
				..
				£2,600,000
				£96,000

After payment of the debenture interest of £54,000, and the preference dividend of £42,000, the further profits to be divided as follows:—

Half to go to the preference shareholders until they have received their full original preference dividend of £70,000; the other half and all further profits to belong to the ordinary shareholders.

The committee and the directors are unanimously of opinion that this scheme is one which is fair and reasonable in the interests of both classes of shareholders, in view of the present condition of the company.

The following examples will show the working of the scheme:—Assuming the directors recommend the sum of £42,000 for distribution after payment of the interest on the debenture stock, the whole of it would go to the preference shareholders, e.g.,

To the preference shareholders :

7 per cent. on £600,000	£42,000
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To the ordinary shareholders :

Nil	Nil
-------------	-----

£42,000

Should the sum be £70,000, it would be divided as follows :—

To the preference shareholders :

7 per cent. on £600,000	£42,000
---------------------------------	---------

Half of the further balance	14,000
-------------------------------------	--------

£56,000

To the ordinary shareholders :

The other half of the further balance	14,000
---	--------

£70,000

Should the sum be £100,000, then the preference shareholders having received their full original preference dividend, the division would be :—

To the preference shareholders :

7 per cent. on £600,000	£42,000
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Half of the next £56,000 to make up the	
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original dividend	28,000
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70,000

To the ordinary shareholders :

The balance of	30,000
------------------------	--------

£100,000

The committee desire to say that all information required by them has been placed unreservedly at their disposal, and in their deliberations they have had the assistance of Mr. Harmood Banner and Mr. H. D. Bateson, and every facility has been afforded them by the directors.

WM. S. McDOWELL.

R. E. MORRIS.

JOHN WHITEHEAD.

WILSON SINGLETON.

ARCHD. F. COGHILL.

Liverpool, 19th December, 1901.

MEETING OF PREFERENCE SHAREHOLDERS.

The first meeting held was that of the preference shareholders, of whom a considerable number attended. The chairman of the Company, Mr. T. B. Royden, presided, and he was supported by Mr. Geo. Hy. Cox (deputy chairman), Herman John Falk, John Holt, Archibald Roxburgh, Thos. Ward (directors), H. Bowman (secretary), A. E. Showell (accountant), H. D. Bateson (solicitor), and A. Harmood Banner (auditor).

The chairman, in commencing the proceedings, said: Gentlemen, at our last general meeting a committee was appointed to consider the scheme which the directors laid before the shareholders, and that committee, representing both preference and ordinary shareholders, I am glad to say, came to a unanimous decision to recommend the scheme laid before you. It is necessary according to the Articles of Association that we should have special meetings of both classes of shareholders, preference and ordinary, and this, as you know, is the meeting of the preference shareholders to approve or otherwise of the agreement entered into on their behalf by Mr. Morris, stating the manner in which they propose to reduce the capital. I will first ask the secretary to read the notice convening the meeting.

Mr. H. Bowman (secretary) then read the following: Notice is hereby given that a separate general meeting of the holders of the preference shares in the above-named company will be held at the Large Hall, Exchange Station Hotel, Liverpool, on Thursday, the 30th day of January, 1902, at eleven o'clock, for the purpose of considering and if thought fit passing (pursuant to the provisions of Clause 46 of the Articles of Association) an extraordinary resolution confirming a provisional agreement dated the 19th day of December, 1901, and made between Reginald E. Morris on behalf of all the holders of the preference shares in the Company of the one part and the Company of the other part, whereby provision is made for the passing by the Company of a special resolution in the terms below set forth, for the reduction of its capital, and for modifying the rights and privileges attached to such preference shares.

The Chairman: The first thing I have to ascertain is that we have a sufficient number present to form a quorum under the articles. We have proxies on the table. It requires two-thirds to constitute a quorum, and we have more than two-thirds present either in person or by proxies sent to the directors. Perhaps you would like to know the number of shares the proxies represent. It is 74,483, or £744,830 of capital. Mr. Oldham also represents 1,150, Mr. J. B. Preston 50, and Mr. John Morison Caw 250, in addition to the numbers I have given. Perhaps you would like the agreement of the 19th December between Mr. R. E. Morris and the Company to be read by Mr. Bateson, or will you take it as read? You have all had it.

A Shareholder: Take it as read.

The Chairman: Is that the pleasure of the meeting? (Agreed.) Now gentlemen, it remains only for me to propose: "That the provisional

agreement submitted to this meeting, dated the 19th day of December, 1901, and made between Reginald E. Morris on behalf of all the holders of the preference shares in the Company of the one part and the Company of the other part, be and the same is hereby confirmed."

Mr. G. H. Ball: I am one of the original shareholders but have never attended any of these meetings before, and both I and several other gentlemen cannot understand the nature of this arrangement.

The Chairman: Then I think we had better read the agreement. I thought it was pretty clearly stated. What are the principal points on which you require information?

Mr. Ball: You propose to reduce the capital value of the preference shares, which will be a considerable loss, in order to help up some of the others. Some people do not think it fair to the preference shareholders. I do not want to put any objection to the carrying of the resolution, but I should like to know exactly what the position is.

The Chairman: Then we had better read the agreement. I will ask Mr. Bateson to do so.

Mr. Harold D. Bateson (solicitor to the Company) proceeded to read the agreement, which was in the following terms:—

An agreement made the 19th day of December, 1901, between Reginald Edwin Morris on behalf of himself and all the other holders of preference shares in the Company next mentioned of the one part and the Salt Union Limited (hereinafter called "the Company") of the other part, whereby it is agreed as follows:—

(1) The Company shall be at liberty to pass special resolutions in the terms following (that is to say): (I.) That the capital of the Company be reduced to £1,400,000 and that such reduction be effected by cancelling the capital lost or unrepresented by available assets to the extent of £4 in respect of each of the preference shares in the Company and to the extent of £6 in respect of each of the ordinary shares in the Company, and by reducing the nominal amount of the preference shares to £6 per share and the nominal amount of the ordinary shares to £4 per share; (II.) That as from the time when such reduction is confirmed by the Court the preference shares of reduced amount shall in lieu of their present dividend rights carry the right to a fixed preferential dividend at the rate of 7 per cent. per annum on the capital paid up thereon, payable as regards each year out of profits of that year available for dividend, and the right to have half the surplus profits of each year available for dividend applied so far as necessary in making up the dividend on such preference shares for that year to what it would have been if the reduction aforesaid had not taken place, namely, to 7 per cent. on the original nominal value, and that the residue of the profits of each year available for dividend be applicable to the payment of dividend on the ordinary shares in accordance with the provisions of the regulations for the time being in that behalf.

(2) The rights and privileges attached to the preference shares in the Company shall be modified so far as necessary to allow of the passing of such special resolutions and so far as necessary to give effect to those resolutions when passed.

(3) The Company is to convene the requisite meetings for passing the resolutions for reduction aforesaid.

(4) Unless this agreement is before the 31st day of March next confirmed by an extraordinary resolution passed at a separate meeting of the holders of the preference shares in the Company in accordance with Clause 46 of the Company's Articles of Association it shall become void.

The Chairman: It would be more in order if we had the resolution seconded, and I shall then be happy to answer any question any shareholders may desire to put.

Mr. R. E. Morris: I have great pleasure in seconding the resolution, because by carrying it we shall make the profits available for distribution.

Mr. R. G. West: It appears to me the meeting should see clearly what the point in the scheme is. That is to say, it has two bearings upon capital and dividend. In regard to capital it simply comes into operation if the Company be liquidated. In that case the ordinary shareholders will lose two twenty-firsts, that is the difference between two-thirds and four-sevenths of the available surplus assets. At present they would have two-thirds of the surplus available and distributable assets, while under this scheme they would have four-sevenths, and the difference between those two proportions is two twenty-firsts, that is between one-tenth and one-eleventh. That seems to me a very small consideration, and the preference shareholders might forego it. The total advantage of the scheme is for the ordinary shareholders, because after £42,000 was distributed to the preference shareholders they would have one-half of the remaining profits up to £19,000, and all the profits beyond that. As a matter of fact it would not in the slightest degree matter to the ordinary shareholders, apart from a question of liquidation, how far their capital was reduced. It is purely a nominal matter. You have explained that to us in previous meetings. It does not alter the assets and earnings, it is purely a paper matter. The only point is as to the dividend they receive after the preference shareholders are satisfied, and it is simply a percentage. We are obliged to purchase the assent of the ordinary shareholders by some concession, but we are giving them a very large concession. There is another matter which is germane to the point, and I shall not be out of order in mentioning it—the constitution and interest on the part of the Board and the Committee. The Board hold, or did some very short time ago, 150 preference shares and 2,571 ordinary shares. The Committee hold 1,708 preference and 4,260 ordinary shares. One member of the Committee only holds preference shares to the amount of 508, and two members of the Committee hold ordinary shares to the amount of 2,900. As far as interest is concerned, as stimulating the direction of the votes, it is very largely in favour of the ordinary shareholder. Of course one does

not want to impute anything, one supposes the balance is fairly held between the two classes, but I think it right the shareholders here who are about to consent to or object to the scheme should have such points before them, and I know by conversation with shareholders that these points have escaped many.

The vote was then taken and the resolution was carried with one dissentient.

Mr. West : I will withdraw my opposition.

The Chairman : Then I declare the resolution carried unanimously.

MEETING OF ORDINARY SHAREHOLDERS.

The meeting of ordinary shareholders was held in the same place at noon, Mr. T. B. Royden again presiding. There was a large attendance.

The Chairman : Gentlemen, as I explained at the previous meeting, we have, by the Articles of Association, to hold separate meetings of the two distinct classes of shareholders—preference and ordinary—with the view to agreeing, or otherwise, with the agreement which has been come to by Mr. McDowell on behalf of the ordinary shareholders of the Company. The first thing I have to do is to ascertain that this meeting is legally constituted, with the necessary quorum to perform the business. Proxies have been received by the directors representing 146,510 votes, or £1,465,100 of capital ; and in addition to that Mr. John Morison Caw represents 300 votes ; Mr. Wm. Caldwell 85 votes, Mr. McDermid 350, Mr. John Allcock 150, Mr. A. Robinson 384, and Mr. W. Millikin 1,930. It is necessary to have two-thirds of the whole, and we have that number, and well over it. Now, I am privileged to propose : “ That the provisional agreement submitted to this meeting, dated the 19th December, 1901, and made between William Samuel McDowell, on behalf of all the holders of the ordinary shares in the Company of the one part, and the Company of the other part, be and the same is hereby confirmed.”

Mr. McDowell : I have much pleasure in seconding that resolution. The Committee which was appointed to consider this scheme, put before the shareholders to-day, have gone very carefully into the matter, and have done what they considered was absolutely fair to both classes of shareholders. I would ask the ordinary shareholders present to-day not to consider just what is to their own interest—not to look through their own glasses only—but to look through the glasses of both ordinary and preference shareholders ; and if they will do so, and consider the scheme from that point of view, I am sure they will admit that this is probably one of the most fair schemes that could possibly be brought before them, and I trust that they will give it their unanimous support.

The Chairman : Although you have had this agreement in your hands, the course I adopted at the last meeting was to ask Mr. Bateson to read it

over, so that you should have it fresh in your minds. I will ask him to do so on this occasion.

Mr. H. D. Bateson then read the agreement, which was in similar terms to the one submitted to the preference shareholders.

Mr. Millikin : Mr. Chairman and gentlemen, speaking for Irish shareholders—and I represent some £19,000 worth of shares, and think I am speaking for between £30,000 and £40,000 worth—I wish to thank the advisory Committee for the trouble they have taken over this reconstruction scheme, and I am only sorry that I cannot support it in its entirety. I think a point has been stretched in favour of the preference shareholders. This must also be the view of the directors, seeing that they, with the advice of their auditors, solicitors and experts, recommended at our last meeting that after £49,000 per annum had been paid on the preference shares, the balance of profit divisible should be distributed amongst the ordinary shares. It is admitted that the Union has, and has had, no monopoly of the salt trade for many years, if at all ; and judging from past figures it is unlikely that the profits of the Company will average as much as £80,000 per annum for any period of years ; and this is taken on the average of ten years' trading—five years' good trading and five years' indifferent trading in the last ten years. If, then, you give the preference shareholders £42,000, and halve the difference between that and £80,000, the ordinary shareholders will get practically nothing in the shape of interest on their capital. Two-thirds of the capital of the Company at present belongs to the ordinary shareholders, but under this scheme they will be entitled to only four-sevenths. Where, then, does the compensation come in ? The ordinary shareholders are giving up their right to appropriate the entire immediate revenue of the Company to the reinstatement of the floating capital, which the chairman at the last meeting told us would require a very large sum. Such appropriate earnings would then become the actual property of the ordinary shareholder. The distribution of dividends in the past on the preference shares, at the expense of depreciation of value, renewal of plant, unfulfilled covenants, &c., are losses the repayment of which can be enforced. I think, and my clients think, these things justify us in asking the preference shareholders to forego something—under this scheme they give us literally nothing. Now, Mr. Chairman, those whom I represent have carefully considered this matter, and seeing that these preference shares are not cumulative, nor have they preferential rights in the capital, have decided to oppose this scheme, and to recommend that the profits be allowed to accumulate against the acknowledged depreciation to reinstate the assets represented by floating capital. Now, gentlemen, I would ask you all to support me in encouraging the directors to take heart of grace by the example of a kindred company—Eastmans, where the preference shares are 8 per cent. and cumulative. No dividends were paid on the 8 per cent. cumulative preference shares for some time, and no ordinary dividends for a short time ; and that company has now paid up nearly all the arrears of dividend. Encourage the directors therefore to take the course I suggest, and I believe we shall all benefit by it.

Mr. Robinson (Dublin) : I have great pleasure in supporting my friend on the right. I have not had the pleasure of meeting him before, but I also represent a number of Irish shareholders. They all follow the directors so far as the directors' scheme is proposed to the extent of the preference shareholder getting 7 per cent. on the reduced value of his shares, but I think it is rather unheard of, at least I never heard of a scheme, where with a reduced value put on the shares, the shareholders might still get the full dividend on the original value of the shares. I quite agree that the preference shareholder is entitled to his preference dividend. I support that, and I would oppose anything to the contrary, but the ordinary shareholders also ought to have some consideration, and I think you should give us a deferred dividend of 3 or 4 per cent., or what you like, and then let the surplus be divided between the two classes of shares. We represent £2,000,000 of capital, and the preference shareholders £1,000,000, and you practically seek to wipe us out. One of you gentlemen, at the last meeting I think, was talking about navigating our ship into port, but it strikes me that you are going to throw the steerage passengers overboard in order to preserve the cabin passengers. Let us all be in the same boat. We are now in the same boat, and the crux of the position is this : It was laid down by our worthy chairman that the preference shareholders cannot be paid any dividend unless this scheme is carried, so as I say we are all in the same boat, and practically you will be in no worse a position, because supposing the preference shareholder gets 7 per cent., the ordinary shareholder gets 4 per cent., and if then the surplus be divided the preference shareholder gets 2 per cent. more, and on the nominal value of the shares that would be about $9\frac{1}{4}$ per cent. for the preference shareholder, as compared with about $1\frac{1}{2}$ per cent. for the ordinary shareholder. That is the position we are fighting for. I should be very sorry to see this scheme wrecked, but, of course, it is at the same time better to wreck it than to commit suicide.

Mr. Keet : Would you allow me, sir, to make a few remarks in opposing this scheme. I promise that I shall be very brief and speak to the point. First, I wish to acknowledge the courtesy with which I have been received by certain large shareholders who have allowed me to confer with them, and, especially our chairman, who is fully deserving of the high esteem and respect in which he is held in this city. Now I rise to oppose this scheme for the simple reason that I for one prefer the substance to the shadow, and I apply that remark in this way. The scheme gives to the preference shareholders a substantial amount of our coin, and they give in exchange the mere shadow of a dividend. . . . We are told that the present assets of the Company, after dealing with the debentures, are only £1,400,000. That is the present estimated value of the assets. I may say before I go further that all my arguments are based upon the statement printed and circulated. Now, our chairman has given us to understand that a great part of the depreciation, which is £1,600,000, has to be made good legally, but let us assume that that proportion is only £800,000. Well, if you add £800,000 to the £1,400,000 you then get £2,200,000, and by the present arrangement the

ordinary shareholders in case of the assets being distributed would be entitled to two-thirds, which amounts to £1,450,000, and yet the ordinaries are asked to be content with £800,000. That is, they are asked to sacrifice £666,000 for the benefit of the preference shareholders. Now, what is the position of the preference shareholders? Their position is simply this, and here again I refer to our directors' statement—that the dividend cannot be paid until either of two things is done, either the capital must be reduced or the depreciation must be made up to a large extent, and so far as one can count it may take ten or fifteen years to make up that depreciation, and if the depreciation is not made up the preference shareholders will have to go without their dividend for that time. Yet this scheme provides that they shall at once come into possession of an annual sum of about £42,000, or probably a little more, which will absorb all the profits, leaving nothing for the ordinaries. Then, as I submitted just now, at present they are only entitled to one-third of the assets, but, as Mr. Millikin pointed out, under the new arrangement they are to have a distinctly larger share in the assets of the Company. Then, in regard to the apportionment of this depreciation, why do some people think that £1,200,000 should go to the debit of the ordinaries, and only £400,000 to the debit of the preference shareholders. The result at present is that if the assets should be distributed, one-third will go to the preference, and two-thirds to the ordinaries. The obvious result would be that one-third of the loss should be incurred by the preference, as against two-thirds by the ordinaries. Why should the preference shareholders in this case have less than one-third of the loss? Then we come to the question of the earning power of the Company. Five per cent. on £1,400,000 is about £70,000 a year. Why should we expect that we are going to get a larger earning power than that out of this Company? . . . In conclusion, gentlemen, I urge the rejection of this scheme because it fails to secure a fair dividend to the ordinary shareholders. It reduces the ordinary shares from four-sixths to four-sevenths, which means a difference of £150,000 in value in case of a winding up or dissolution. It provides for the preference shareholders good dividends over their £600,000 of capital retained in the Company, and the bulk of the depreciation falls upon the ordinary shareholders in the Company. Then the scheme does not provide for a renewal of leases, and it does not provide for depreciation or renewal of machinery-plant, boilers, barges, and other properties which are continually deteriorating, and I believe our directors admit that it will be necessary in time to have new machinery and new barges, and also other renewals which we ought to have some funds to provide for. Then it does not provide apparently for taking advantage of any new processes, or new machinery, or for an adequate reserve fund. Then again, I urge that it is dangerous for a Company with a capital of only £1,400,000 to have debentures to the amount of £1,200,000. Let me remind you that there are many companies which have done very different to this, and I submit that it would pay the preference shareholders to agree to better terms for the ordinary shareholders, rather than sacrifice their dividends for ten or fifteen years, which is the alternative they have to face.

Mr. McDermid (Glasgow) : I hold a few hundred shares, sir, and represent a few hundred more, but I don't think, at the same time, that I am entitled to take up much of the time of the meeting. We Scotch people think that this scheme is not at all satisfactory. It may be the best that can be presented ; but, as amended by the Committee, it is a very drastic measure ; and one would imagine that it was the work of the preference shareholders alone instead of mostly ordinary stockholders. This fact does not make the scheme an agreeable one for the ordinary shareholders. Still, it goes a long way in the reminding us that half a loaf is better than no bread ; and another thing is that the Committee have had the facts and figures to go upon which cannot judiciously be made public. But there are other questions which arise ; and I would like to see it settled now in proper legal form. An important point is the maintenance of an equal ratio of right in the capital. By the proposed scheme, as adjusted, each preference share has a capital ownership of three-sevenths, as against a capital ownership of two-sevenths per ordinary share ; whilst ordinary shares are double the number of preference shares. In view of certain contingencies, such as the sale of the Company, that is a very important point ; and we wish to reserve the right to call our shares of the face value of £6 at any future time without requiring the consent of the preference shareholders ; and we would like the chairman to promise that the solicitors of the Company will be instructed to secure this right in proper legal form. In the second place the expenditure on new works, &c., must not be taken out of revenue, but should be contributed to by both classes of shareholders or raised by debentures, and thirdly a reserve fund should be created by a percentage out of the dividends accruing on each class of stock. If these three suggestions are accepted, I am prepared to accept the amended scheme as the best which the five wise men can find us under the circumstances. The present position of the Salt Union, and the brighter prospects before it, do not justify the ordinary shareholders in asking for any favours from the preference shareholders, but we do desire that our just and legal rights should be duly maintained.

Mr. A. Armour (Liverpool) : I would like, sir, to point out to this meeting that it is entirely impossible for this concern to go on unless the ordinary shareholders can come to some agreement. . . I would just like to mention two things which you ought to remember. When the scheme was first brought out by the directors I confess candidly that I did not agree with it, and I ventured to suggest what I thought was a better scheme, but the scheme which is now before us, I may say, has met with very general approval on the part of the best financial authorities in London, and I think that is something. You have also the further fact that your shares, since the last meeting, have increased in value by something like 10 per cent. . . . I am not an original shareholder in any department, and it would be very conceited of me to say I have more sense than they, but the men who formed this Company are the men to blame. They floated a scheme where the ordinary shares were only the price of the goodwill. A ridiculous price it was, but you must remember that you are in honour bound to the preference

shareholders. To all intents there is a commercial covenant to pay 7 per cent., and I wish to press upon you distinctly that there are only three courses before us: to accept this proposal, which I hope you will; or to await twenty years—and I am afraid there are few in this room who will wait that long for a dividend; or to wind up or dispose of the Company.

Mr. Caldwell: I contend that this scheme is entirely in the interests of the preference shareholders, and if we are to stand still and take this scheme, we may shut up for ever, for we shall never get a penny. But I am prepared for this—that if the directors can see their way clear to drop the division of profits after the preference shareholders have got their 7 per cent. on the £6 shares—and then let the remainder go to the ordinary shareholders—then I believe the present ordinary shareholders will follow them; but beyond that I don't think they will go; and if this is persisted in, I think the thing will be wrecked, indeed I feel certain it will unless something just as I have suggested is done.

Mr. W. H. Davey: Mr. Chairman, I am not a very large shareholder now. I held something over 200 shares; I sold part of my holding at a very great loss. I now hold 50 preference and 25 ordinary shares. I do not regret losing the money, because I have always thought a time would come when things would improve. We have gone through bad times; but with the guidance of yourself and your colleagues, I believe matters now will improve. I feel, sir, that you have done your duty, and the directors and the Committee also; and I don't think they are serving their own ends in any way, but are striving to do their best in the interests of both classes of shareholders. I have been considering this matter with reference to both classes—preference and ordinary—and I think a reasonable solution of the difficulty would be for the preference shareholders to take their 7 per cent. on their reduced holding, and that any surplus profit divisible should go to the ordinary shareholders, or if it were put this way that after the preference shareholders have had their 7 per cent. on their reduced holding, then the ordinary shareholders should have up to 4 per cent., and then the preference shareholders might come in for a further interest if there was money left to divide.

Mr. Watson: If the preference shareholders' capital is reduced to £6 per share, the balance of £4 per share has gone for ever, and the ordinary capital is reduced too, but they get the advantage of any improvement in the value of the shares, as well as of any extra profit which may be made, and that is very important, because any surplus over the dividend on the £6 per share would go to the ordinary shareholders, and the preference shareholders would be simply reduced to £6 per share, and the interest on that £6, which would be giving up their birthright—simply giving it away. It would be most unfair and unjust that the preference shareholders should be asked to give away £4 per share whilst the ordinary shareholders were not to give away anything, because any improvement in the assets of the Company would be exclusively for their benefit. I may say that I am both an ordinary and preference shareholder.

Mr. Tinker : Well, sir, it seems to me that the ordinary shareholders have been in a salt pickle for a very long time, and it seems to me that what the Company have recommended will put them in a further pickle. They may be permitted to exist, but that is all, and any prospect of getting a dividend under this arrangement has to my mind utterly vanished. I have been watching the Salt Union for a great number of years, and I do not see the remotest prospect whatever of the ordinary shareholders in the Salt Union getting any dividend for a long time to come. It must be a very recuperative and prosperous concern if it is going to make £200,000 a year, which would leave £50,000 towards the £70,000 according to the scheme. . . . The point that strikes my mind is this, that the ordinary shareholders are asked to give up £1,200,000 of their capital to wipe off the depreciation, and to enable the preference shareholders forthwith to receive their dividend, according to the circular. As to the £42,000, they have a right to it under the present circumstances, and I do not object to that, but I say that if £70,000 is earned, then the whole of that balance beyond the 7 per cent. on the £6 preference shares should go to the ordinary shareholders. As the matter now stands the preference shareholders can only get £70,000 under any circumstances, that is 7 per cent. on £1,000,000 of capital. The present proposal is that they may in certain eventualities continue to receive that £70,000, which would be considerably more than 7 per cent. on their then holding, and yet in face of that proposal the ordinary shareholders are asked to wipe off £1,200,000 of their capital in order to put the preference shareholders in a position to begin to receive their dividends forthwith. I say that it is not fair. I notice some gentleman shakes his head. That, however, seems to be the statement of your circular, and I cannot see anything to the contrary.

Mr. Armour : The preference shareholders are entitled to the whole dividend now.

Mr. Tinker : My contention is that if the ordinary shareholders are to give up £1,200,000 of capital, in order that the preference shareholders may receive dividends forthwith, they are standing in their own light. The preference shareholders should meet them in this matter. If the preference shareholders have their shares reduced from £10 to £6, but immediately get 7 per cent. on these reduced shares, they are relatively in a distinctly better position than the ordinary shareholders, who will have to wait, for a long period certainly, before they can obtain any dividend at all.

Dr. McDougall : As an original ordinary shareholder I should like to say a few words. I do not think it is just to the shareholders here that we should go back upon the past history of the Company. I do not think the shareholders would be doing justice to themselves to allow this. As a matter of fact, according to your balance sheets, you have never represented that there was either capital lost or unrepresented. It was represented in various things, and I do not think you would be willing to do injustice to yourselves or your predecessors by representing that it was capital that was lost. If lost it should have been represented in the balance sheet. The fact is, I

take it, capital was never there. It means that, as a fact, the capital of the Company was over-valued to the extent of £1,600,000, that is really what it amounts to. I think the gentlemen here have overlooked the fact that although the Company had markets, they appear to have lost them simply and solely because they raised the price of salt to such an extent that other producers got into those markets and undersold them. That is still taking place to-day.

The Chairman : Before I put the resolution to the vote I would like to reply to a few remarks which have been made. I shall not occupy your time in making any reference to the past history of the Company. That is in no way a personal matter. I had nothing to do with it except to take shares, and I cannot allow the remark to go that there was nothing to represent the ordinary share capital, because I think that would be unfair to the gentlemen who first brought out this Company. There is no doubt that the prices paid for the works then were large, but it was in the belief that the Company possessed an absolute monopoly of the salt trade in England, and if that monopoly could have been maintained, well I daresay they might have been justified, but that will not bring us any profit or any consolation at the present time. What we have to deal with, as men of business, is what is the best thing to do for all classes of shareholders in the Salt Union, Limited, having due regard to the rights of both ? We are discussing the rights now of the ordinary shareholders. There are two very important points on which I think there is some little confusion of idea and of opinion. First, as to the rights of the ordinary shareholders. We have been very careful to preserve the rights of the ordinary shareholders in this scheme, inasmuch as they possess the same voting power in anything which concerns the Company as they have done from the first. The reduction of capital, and of the value of the shares, whether preference or ordinary, in no wise interferes with the voting power. I think that will be an answer to one gentleman, I forget his name—that we have preserved that right. The next point is with regard to the surplus assets after paying the debenture debt. Well, gentlemen, undoubtedly if the Company ever comes to be wound up, you will get as 8 to 6. That is quite true, but, gentlemen, I contend that that is a thing in the far distant future. I don't think anyone has the least idea at the present moment of winding up his Company. Furthermore, if anything happens that it should become necessary to wind it up—who are the people who are going to stop the winding up, or to put it forward ? The ordinary shareholder. His votes command the position ; and therefore he will take very good care that it is not wound up ; and this difficulty does not arise unless he sees an immediate advantage to himself. Therefore I think we may throw aside altogether the consideration of the relative part of the assets you would get. I don't know, if it came to be wound up under a wrecking sale, there would be very much for anybody. Possibly there might be if it were well sold, but that contingency cannot arise without the assent and the consent of the ordinary shareholder, and therefore he has his own protection in his own hands. Then another point which one gentleman made was this—he

said the ordinary shareholder was giving up everything, and the preference shareholder was giving up practically nothing. Now let us consider that for a moment. What is the position? You have undertaken to pay these gentlemen £70,000 a year out of the profits every year that you make that amount, and if it does not come to £70,000, you have to give them all the profit until it reaches £70,000. Now you have asked them in fairness to give up some of that; and I say they have come forward very fairly, and said—"Very well, we are willing to accept instead of £70,000 a year, £42,000; and divide with you after that until we get our full dividend." What does that mean? It means, as was pointed out here, that it would take a very good year to get a very much greater profit than the debenture interest and £70,000 a year. It means that the ordinary shareholders, as one gentleman remarked, unless it was a very prosperous year, would never come into any dividend at all, or not until after, I think he put it, fifteen or twenty years. I am not going to prophesy—but I don't think it would be that long—but if you don't pass this scheme, the preference shareholders will monopolize all up to £70,000 a year, and you will be indefinitely postponed.

A Shareholder: Only for one year.

The Chairman: I am rather sanguine myself, but I am not so sanguine as my friend. I venture to predict a good many years; and then not only does the preference shareholder give up that to you, but he is giving part of his capital; and it is pointed out that in the event of prosperity coming again to the Salt Union, the ordinary shareholder will get his shares advanced by the better price they will bring in the share market. I think that the preference shareholder does give up very considerable interests, and if you come to the difference between £42,000 and £70,000, which is £28,000 a year, you are nearer your dividend by £14,000 a year at once. I say that this is a very valuable concession. Upon these grounds, gentlemen, I have no difficulty whatever in recommending the ordinary shareholders—and I am an ordinary shareholder myself and nothing else—to accept this scheme. I wish it could have been better. I wish we could have made better terms for both classes of shareholders, but I say, looking at all things—and in consideration of the fact that the preference shareholders are giving up their absolute right to all profits, after paying debenture interest, up to £70,000 a year, and that they are willing to reduce that to £42,000, and thus bring you, as I have pointed out, much nearer your dividend than you would be if you remained as you are—and have also parted with part of their capital—I venture to think that they have met you very fairly, and I think you will be wise in adopting the scheme. . . . The chairman put the resolution to the vote, first taking those against. He declared the resolution carried by 62 votes against 17, and announced that this secured the necessary majority.

EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS.

An extraordinary general meeting of the Company was held in the same place at half-past two o'clock. Mr. Royden again presided, and there was a large attendance.

The Chairman : I have now to propose the following resolution :—

“ That the capital of the Company be reduced to £1,400,000 and that such reduction be effected by cancelling the capital lost or unrepresented by available assets to the extent of £4 in respect of each of the preference shares, in the Company and to the extent of £6 in respect of each of the ordinary shares in the Company, and by reducing the nominal amount of the preference shares to £6 per share and the nominal amount of the ordinary shares to £4 per share.”

The resolution was put and declared carried with one dissentient.

The Chairman then formally moved the following resolution : “ That as from the time when such reduction is confirmed by the Court the preference shares of reduced amount shall in lieu of their present dividend rights carry the right to a fixed preferential dividend at the rate of 7 per cent. per annum on the capital paid up thereon, payable as regards each year out of profits of that year available for dividend, and the right to have half the surplus profits of each year available for dividend applied so far as necessary in making up the dividend on such preference shares for that year to what it would have been if the reduction aforesaid had not taken place, namely, to 7 per cent. on the original nominal value, and that the residue of the profits of each year available for dividend be applicable to the payment of dividend on the ordinary shares in accordance with the provisions of the regulations for the time being in that behalf.”

The resolution was put and declared carried with one vote to the contrary.

THIRTEENTH ANNUAL MEETING.

The Thirteenth Ordinary General Meeting of shareholders in the Salt Union, Limited, was held on June 3rd, 1902, in the Law Association Rooms, 14, Cook Street, Liverpool, Mr. T. B. Royden, Chairman of the Company, presided.

THE DIRECTORS' REPORT.

1. UNION'S TRADE IN 1901.—The Salt Union deliveries in 1901 were 903,000 tons, as compared with 853,000 in 1900. A large portion of the increase in tonnage is in the export trade, and is due to lower freights ruling ; but against this increase there is a continued and serious decrease in the use of manufactured salt for chemical purposes.

2. COST OF MANUFACTURE.—During the first half of the year the price of fuel remained at an abnormally high level, but during the latter half there was a substantial decline.

3. MAINTENANCE OF PLANT, &c.—The district managers have certified that the respective works, plant in operation, craft and rolling stock, in their several districts, have been maintained in good order during the year.

4. REDUCTION OF CAPITAL.—The scheme for the reduction of the capital of the Company, which was submitted to and approved by the shareholders at meetings held on the 30th January, 1902, was duly confirmed by the Court on the 21st April last. As the reduction only takes effect from the date of such confirmation, the accounts for 1901 have to be presented without showing the effect of the reduction. The directors therefore submit the following particulars :—

	<i>Amount in</i>		<i>Amended Amount</i>	
	<i>Balance Sheet</i>		<i>after Confirmation</i>	
	<i>at 31st December,</i>		<i>of Scheme for Re-</i>	
	<i>1901.</i>		<i>duction of Capital</i>	
			<i>by the Chancery</i>	
			<i>of the County</i>	
			<i>Palatine of Lancas-</i>	
			<i>ter, Liverpool Dis-</i>	
			<i>trict, 21st April,</i>	
			<i>1902.</i>	
Freehold, Copyhold and Leasehold Properties and Works, Machinery, Plant and Goodwill	£3,471,983	19 6	£2,030,461	0 0
Acquisition of Distribution Businesses and Covenants with Vendors	130,490	11 8		
Surplus Freehold Estates	106,760	0 7	100,000	0 0
Fully Paid Shares in other Salt Trading and Carrying Companies	134,807	0 0	72,197	0 0
Steamers, Barges, Flats and Appliances	164,453	7 6	124,000	0 0
Rolling Stock	128,721	17 9	95,000	0 0
	£4,137,216	17 0	£2,421,658	0 0

The reduction of £1,715,558 17s. in the value of the assets is provided for as follows, viz. :—

By the amount written off Preference Capital	£400,000	0	0
By the amount written off Ordinary Capital	1,200,000	0	0
By the extinction of the present Reserve Fund.. ..	108,823	8	6
And by Transfer from Profit and Loss Account.. ..	6,735	8	6
	<hr/>		
	£1,715,558	17	0

5. PROFIT AND LOSS ACCOUNT.—The gross profit on salt inclusive of revenue from other sources has amounted to £228,157 16s. 10d., whilst the net profit amounts to £95,542 13s. 8d., or, including the balance brought forward from 1900, £101,770 5s. 2d. From this has to be deducted debenture interest for the year, £54,000, leaving an available balance 47,770 5 2

From this has to be deducted the deficiency shown in par. 4 6,735 8 6

£41,034 16 8

Your directors recommend that a dividend for the year ended 31st December, 1901, be declared at the rate of 6/- per share on the preference shares, which will require 30,000 0 0

That there be placed to Reserve Fund (New Account) 10,000 0 0

And that there be carried forward 1,034 16 8

£41,034 16 8

THE CHAIRMAN'S ADDRESS.

The Chairman : Gentlemen, I have now to move that the report of the directors with the statement of accounts and balance sheet for the year ended 31st December, 1901, now submitted, be received and adopted. While I congratulate the Company on the increased trade of last year, which exceeded that of the year before by £50,000, unfortunately the chemical trade was not in a flourishing condition, and our shipments for that purpose were £50,000 less than last year, otherwise we should have shown an increase of £100,000, which would have been very satisfactory indeed. Gentlemen, I cannot help remarking—casting my eye back to the previous record of this Company and speaking broadly—in the account of 1898 we had a deficiency of about £20,000 in the payment of the debenture interest, besides having an overdraft of £25,000, and the drafts against shipments of salt to

India to a very large amount, I think £15,000. That year we had to entrench upon our reserve fund in order to pay the debenture interest. The year after we succeeded in paying the debenture interest, and carried forward a small balance, or rather wrote it off against some matters. The year after we were not only able to pay the debenture interest but 1 per cent. on the preference shares. This year, I am glad to say, we are able to pay an increased amount upon the preference shares. I do not like prophesying, but I venture to hope that with such a trade as we may fairly expect possibly in the near future, the ordinary shareholders may have the advantage of coming in too. All this has been done of course with strict regard to economy in working, and at the present moment we have no overdraft at the bank; we have drawn nothing against shipments of salt abroad; and I think we may fairly say we stand in a very stable and strong position.

The Chairman then put the motion for the adoption of the report to the vote, and declared it to be carried with two dissentients.

FOURTEENTH ANNUAL MEETING.

The Fourteenth Ordinary General Meeting of shareholders of the Salt Union, Ltd., was held on March 10th, 1903, in the Law Association Rooms, Cook Street, Liverpool. There was a large attendance. Mr. T. B. Royden, Chairman of the Company, presided.

The Chairman: I have to declare to the meeting that we require a quorum of five only, so there is no difficulty in saying that we have a meeting. The proxies are here on the table.

THE DIRECTORS' REPORT.

1. UNION'S TRADE IN 1902.—The quantity of salt delivered by the Company in 1902 was 925,000 tons, as compared with 903,000 tons in 1901. The arrangement with other manufacturers has continued, but the agreed selling prices have been on a lower level.

2. COST OF MANUFACTURE.—The lower price of fuel which ruled towards the end of 1901 continued throughout the past year, with the result that the cost of manufacture has been reduced.

3. MAINTENANCE OF PLANT, &C.—The district managers have certified that the respective works, plant in operation, craft, and rolling stock, in their several districts, have been maintained in good order during the past year.

4. GAS PRODUCER PLANT.—Good progress has been made in the erection of a plant on Dr. Mond's system at Weston Point.

5. REDUCTION OF CAPITAL.—In consequence of the scheme adopted by the shareholders and approved by the Court in the early portion of the year, the capital of the Company is shown in the balance sheet at the reduced figure provided for by the scheme, and the assets have been written down in the manner indicated in the last report.

6. PROFIT AND LOSS ACCOUNT.—The net profit amounts to £110,092 14s. 2d., or, including the balance brought forward from 1901, £111,127 10s. 10d. From this has to be deducted debenture interest for the year, £54,000, leaving an available balance £57,127 10 10

Your directors recommend that a dividend for the year ended 31st December, 1902, be declared at the rate of 6/- per share on the preference shares, which will require .. 30,000 0 0

That there be placed to General Reserve Fund .. 15,000 0 0

That there be placed to Depreciation Reserve Fund .. 10,000 0 0

And that there be carried forward 2,127 10 10

£57,127 10 10

THE PROGRESS OF THE COMPANY.

The Chairman : Ladies and gentlemen, I beg to move, " That the report of the directors, with statement of accounts and balance sheet, for the year ended 31st December, 1902, now submitted, be received and adopted." I shall not detain you at any length with regard to the various items in the accounts because they are of the usual and ordinary character—in some cases a little less, and in some cases a little more, as the exigencies of trade demand. But there are one or two points to which I think it worth while to call your attention. The first is, I think, an encouraging one, and it is the progress which the Salt Union has made in the last two or three years. I notice in 1898, the time when the present Board came into office, the tonnage of salt sold was 967,000 tons, which resulted in a loss, and we were not able out of the profits of the year to pay our debenture interest by £21,208. We had to take an amount of £12,531 which had been brought forward from the year before, and to trench upon our reserve fund to the extent of £8,677. So, in order to pay debenture interest, we had to take some £21,208. Well, in the year 1899 deliveries of salt fell to 924,000 tons. We were able to make a profit sufficient to pay our debenture interest, and to carry over a sum of £4,601. In the year 1900, the lowest point which the sales of salt reached, they fell to 853,000 tons, but after paying debenture interest, there was a net profit of £16,227, of which £10,000 was given as a small dividend on the preference shares, and £6,227 was carried forward. In the year 1901 we apparently turned the corner as far as the deliveries of salt were concerned, and the sales amounted to 903,000 tons, or 50,000 tons more, and the net profit after paying debenture interest was £41,542. Of this £30,000 was paid as preference dividend, £10,000 was placed to reserve, and £1,035 carried forward. The amount that was carried forward from the year before had to be utilized in connection with the reduction of capital. In the year 1902, I am happy to say, our sales of salt have been 22,000 tons more than last year, and they amount now to 925,000 tons, and the net profit after paying debenture interest is £56,093. As you will see by the report £30,000 is again to be paid as dividend on the preference shares, and £25,000 is carried to reserve—£10,000 to particular reserve, and £15,000 to general—and we carry forward a balance of £2,127. Well, gentlemen, I think you will consider that steady progress like that is very encouraging. I can only hope, on your account and my own, it may go on in the same steady, if not even a more rapid, way. I thought it would be well that you should know exactly how the Company has progressed since the present Board took it in hand. The building up of reserve we regard as of the very utmost importance. We know the changes that take place in a trade of this character, and I think it is to your interest, and the interest of all concerned, that it should be built up as a strong, thorough-going, sound concern, and I believe the only way to do that is from time to time to place such sums to reserve as can be conveniently spared. There is another point I want to mention, and that is that some two or three years ago a shareholder asked the directors to give

their attention to the question of getting sulphate of ammonia as a by-product out of their work. Gentlemen, we did look very closely into it, and at that time we were not quite satisfied it was an opportune moment to begin, and I think events have justified the opinion we formed, for great improvements have been made. We have now entered into a contract with the Power Gas Corporation to put up works for that purpose at Weston Point, and I believe, so far as at any rate we can form any opinion, fortified by the opinions of the most expert engineers, we shall find a very considerable accretion to our profits when we get it going. A subject I regret to have to refer to is to report that since our last meeting you have lost a very faithful and good servant, and we have lost a much-esteemed colleague in Mr. Ward. I am sure I need not say how entirely he had the interest of the Salt Union at heart, and how arduously he worked for its benefit, and I am sure we shall feel his loss more and more. There is a feeling I know existing in many of the shareholders' minds, that there always has been one director, as it were, connected with the Cheshire district, a resident of Cheshire, as Mr. Ward was, and I beg to tell you that the directors, having that in view and desiring to have the expert help of Mr. Rigby, have appointed him a director in the place of Mr. Ward, and I think his presence at our Board meetings may be of extreme value. I think, gentlemen, those are the only remarks I have to make, and I have to formally move the resolution which I have just read.

THE CALCUTTA TRADE.

Mr. Coates : With respect to the Company's shipment of salt to Calcutta, after deduction of freight, insurance, duty charges, and the cost of the Calcutta establishment, what is the net result per ton as compared with the price of salt delivered alongside in Liverpool ?

The Chairman : Well, it is extremely difficult to answer. When I tell you that in the course of last year the price varied from 76 to 46 rupees per 100 maunds I think you will see it is a little difficult to answer.

Mr. Coates : Would it not be much to the advantage of the Company if they sold all their salt delivered alongside here, instead of keeping a costly establishment out there ?

The Chairman : I quite agree with you if you can only find people to buy it. If you will find the buyers we shall be happy to give you all the salt required.

Mr. Coates : Is there not a considerable loss on that branch of the business ?

The Chairman : Not as an average ; at times there is, and at times there is not.

Mr. Coates : There is a large item here for directors' fees and travelling expenses. Are those in connection with that branch of the business ?

The Chairman : That has nothing whatever to do with Calcutta. We have no establishment in Calcutta. We pay Messrs. Turners a certain commission.

A REQUEST FOR STRENGTHENING THE BOARD BY PRACTICAL MEN.

Mr. Milliken : I wish to express on behalf of the shareholders whom I represent, and also myself, our sympathy with the Board in the loss they have sustained by the death of Mr. Ward, whose services to the Union were so valuable, and appreciated by us all. In this connection we wish to know what preparation, if any, the directors have made to meet such a contingency ? The almost daily shrinkage in the value of the ordinary shares of the Company since the demise of Mr. Ward has led the public to believe that the Board were powerless to do anything. There is another question we are very anxious to ask, that is who will take Mr. Ward's place as chairman of the Salt Makers' Association ? Well, Mr. Chairman, I need hardly say the balance sheet and report have been a grievous disappointment, for we were led to believe that with cheaper fuel, the cost of the manufacture of salt would greatly decrease, and that, combined with cheaper freights to India, and a better demand for fishery salt, would give the ordinary shareholders a dividend. . . . We have looked into these conditions as carefully as possible, and I am now authorized to say that we think this would have been the result if greater economy, and perhaps foresight, had been exercised by the Works Committee ; and, believing this, on what we think good grounds, we now strongly recommend the abolition of the Works Committee, and the substitution in its place of practical salt makers in the management of works or group of works, with full powers, and responsible only to the whole Board of Directors. . . . We also desire to see the Board of Directors strengthened by the addition of two practical men, salt makers, for as far as we know there is not one at present acting ; and we suggest that from the County of Cheshire competent men would be obtainable.

The Chairman : You ask us what preparation we are making to fill the place of Mr. Ward. I announced that Mr. Rigby was appointed a director in the place of Mr. Ward.

Mr. Milliken : I said those I represent are not satisfied with one practical salt maker on the Board. We want two.

The Chairman : One is there. I think he should be quite sufficient.

Mr. Milliken : Excuse me, Mr. Ward was there.

The Chairman : And Mr. Rigby is in his place ; and Mr. Falk is pretty expert in salt making. You spoke about who was in the place of Mr. Ward at the Salt Association. Well, the British Salt Association elect their own chairman, and I am happy to say they have elected Mr. Cox. Then with regard to the extra economy, I can assure you the Works Committee have been very careful in exercising all the economy they possibly can, and they neglect no opportunity of doing it. I know certainly in respect to buying slack and coal they have been most successful in all they have done.

Mr. Lowden : I have something to tell you that will be of interest to you, and that is that of these gas firing experiments, of which our chairman has spoken so hopefully, I am the originator, and that I introduced Professor Jenkins, of the College of Science of London, to the work of the

Salt Union, and the outcome of that visit, and his studies and his brains, has been a gas firing method, and that method I patented, and I am very pleased to inform you that I propose to make an offer of this patent to the Salt Union as a free gift. Mr. Milliken will kindly read the offer.

Mr. Milliken : Mr. Lowden has authorized me to read this offer which he makes to the Board and the shareholders of the Salt Union : " I have patented a method of making salt, utilizing all the heat of the fuel, of which more than 50 per cent. is now wasted, and using a good portion of the steam arising from the brine pans when in work, and effecting other economies. The method has been tried on a commercial scale at the Salt Union works, and the reduction in the cost of making salt is enormous, with the recovery of bye-products. These patents I now offer to the shareholders as a free gift, stipulating only for out-of-pocket expenses, say about £500. I invite the directors to make a statement."

The Chairman : I know Mr. Lowden has worked upon this patent for some years, and the directors of the Salt Union were desirous of giving him every opportunity, but we were advised, after consulting counsel, that the patents were not valid, and as a matter of fact we failed to see that there was that great economy which Mr. Lowden, with all honesty, believed could be attained. Under these circumstances we felt that we could not proceed to test this. Mr. Lowden is wrong in saying it has been tested and shown to be a commercial success, because that is just exactly what it failed to do in our opinion. Under the circumstances I cannot recommend to the shareholders to accept Mr. Lowden's proposition.

Mr. Lowden : Mr. Chairman, I should like to ask you who was the counsel who gave you that opinion. When the opinion was sought for the case was stated as between myself and Dr. Mond and the Salt Union, and it was submitted to Dr. Mond's counsel.

The Chairman : No.

Mr. Lowden : I beg to say it was. I don't know that you understood it was Dr. Mond's counsel.

The Chairman : Who was Dr. Mond's counsel ?

Mr. Lowden : Mr. Walters. That opinion was sent to me, and was so lop-sided that even the Board could not stand it.

The Chairman : May I correct you ? Mr. Thos. Tyrrell, Q.C., was the counsel.

Mr. Lowden : You will hear about Mr. Tyrrell. This opinion of Mr. Walters' being so lop-sided, the directors thought they had better consult him again, and they went to London to meet him, and when they came before him the first thing he said was, " Gentlemen, I think I ought to tell you I am retained as counsel for Dr. Mond." Under those circumstances they retired from Mr. Walters, and referred the case to Mr. Tyrrell. I asked them if they wanted a fair and just opinion to lay it before Mr. Tyrrell as the Salt Union and Lowden against the world. Instead of doing so they presented it to Mr. Tyrrell as the Salt Union *v.* Lowden, and they sent it to me for my sanction. I at once sent it back, and said I could have no part in the case.

The Chairman : I must stop you because you are totally inaccurate.

Mr. Lowden : It is only a minute I will keep you. That opinion of Mr. Tyrrell was given, and I am quite content to abide by it. The opinion is that I, the patentee, am entitled to claim for the cycle of operations, and the rest, he says, is doubtful. If you look at the cases in the courts week after week, where even the judges on the bench differ as to the validity of patents, I think that seeing the Salt Union can get these patents for their own protection at so little cost, it is unwise to refuse them ; because I am not the man behind them ; it is Professor Jenkins who is the man behind them, and he is coming back from Australia—he is now on board the steamer *Indian*, and will be in England in April.

The Chairman : It is not Professor Jenkins' patent you are offering.

Mr. Lowden : They are in my name, I grant, but he is the originator and part owner. . . . Now, gentlemen, I have laid the case before you and I am quite content to leave myself in your hands.

Dr. McDougall : This matter is not sufficiently clear to the shareholders. I think it will be of advantage if the question of difference that has arisen between the patentee of this patent and the directors were cleared up more efficiently. I scarcely think we have heard the details, and I am quite sure, Mr. Chairman, you desire to do justice to the patentee as well as protect the interests of the shareholders. Can you give us something ? Because it is scarcely the thing to deal with a matter of such vast importance in a somewhat heroic manner, and in an off-hand way.

The Chairman : The directors act entirely for the interests of the shareholders and for their good ; and I may tell you they have investigated this thing very closely indeed over and over again. A case was stated, which we offered to submit to Mr. Lowden. I think he did see it.

Mr. Lowden : You did submit it, sir.

The Chairman : And it was submitted to counsel, and his advice was against us. We could do no more to protect your interest.

Mr. Lowden : For what reason ?

The Chairman : Simply because he did not think the patents were valid. Therefore, I say, we can do no more. If the shareholders wish us to try a patent we do not believe in, and which we do not think will promote the success of the Company, in your hands be it.

THE ERECTION OF MOND PLANT.

Dr. McDougall : I think you as directors are very much to be congratulated upon the excellent balance sheet you have presented. . . . We have heard a great deal in former times about the value of stocks and plant and what not, but it is important in the first instance that the plant should be maintained and kept in efficient condition. I live in the district, and I don't ask you to reveal any secrets, and if it is against the interests of the Company, I don't press it at all, but I should like to ask as to the approximate cost of the Mond plant you are erecting at Weston Point. I know it is expensive. Another matter I should like to ask is whether you are satisfied that the

saving upon the erection of that Mond plant will be what has been represented to you? I dare say the directors have consulted the maker. The loss of heat in carbonising coal is very considerable. They recover it in sulphate of ammonia subsequently; but whether the actual heat they are about to generate here can be adapted to the evaporation of salt in a satisfactory manner, we must take from you and those who have advised you. I hope that the advice is based upon some actual facts, and not merely a scientific utterance. That is the most important point. I take it that part of this £55,000 which has been spent has been part paid for this plant, or is it still the amount which has to be paid? Is it to be held over to be paid this year? Then another point I wish to ask you is the time in which the contract is to be completed. Will it be completed up to time? Those are points I think of great importance. I have been told, and I have reason to believe, the saving will be a very considerable one, and if there is any doubt—perhaps there may still be a doubt about it, but on the other hand I think the directors were bound to adopt this plant as a means to an end, and if the plant is a success with the powers invested in the directors, I take it the time is not far distant when substantial dividends may be paid to ordinary shareholders.

The Chairman: I should say the works, including gas plant, foundations, and so on, will cost somewhere about £45,000. We are satisfied there will be a considerable profit upon the making of salt by this process, and though we took the opinion of eminent engineers thoroughly acquainted with the matter, still we also fortified ourselves by testing the question whether gas firing would produce salt, and we proved it could and would, and therefore we have no doubt upon that point. In the report the item for maintenance does not include any payments yet for the gas producing. The contract will be fairly up to time.

THE DIVIDEND.

The Chairman: Now, gentlemen, I have to move, "That a dividend for the year ended 31st December, 1902, at the rate of 6/- per share on the preference shares be hereby declared payable, less income tax, on and after the 26th March, 1903, to all preference shareholders who were on the register on 28th February, 1903."

The Chairman put the resolution to the vote and it was unanimously adopted.

THE LATE MR. WARD.

Dr. McDougall: Before you come to the next resolution, I should like to submit a special resolution, and that is, "That a vote of condolence with the family of the late Mr. Ward be sent from this meeting." Mr. Ward, as every person knows, was a familiar figure at these meetings ever since the initiation of the Salt Union, and he was one of those fortunate men who had no axe to grind when he was elected a director, or when he became so prominently connected with the concern. He had no works to transfer at a fabulous

price, and he was quite content to remain Mr. Ward as he has been all along, and as he has gone down. I have known Mr. Ward perhaps longer than any other person in this room. I have been familiarly identified with him in other business matters for over thirty years—it is a long time to know anyone—and I know how keenly alive he was to, and how disinterested he was in, the interests of the Salt Union, and how much he regretted—as I have reason to believe the present Board regretted—the condition in which the Salt Union was found at the time of its transference to Liverpool. Mr. Ward was very familiar—probably no one was more familiar, with the salt formations of the Cheshire districts then he was. He was undoubtedly a tower of strength as a salt-maker to the existing Board of Directors. However much one may sympathise with Mr. Milliken in the proposal he has made, still the directors have acted with considerable wisdom in electing a gentleman who has been familiar with the Salt Union for so many years, and with salt boiling, which is rather an important matter. I should not like to mix up that observation with the resolution I am now proposing to you, but I am satisfied the shareholders, if they knew the value of Mr. Ward's services, would have no difficulty about expressing their regret at his too early death. I beg to move that a vote of condolence from this meeting be sent to the family of the late Mr. Ward.

The Chairman : I rise to second that proposal. As I have already said, Mr. Ward's colleagues on the Board feel what a very great loss his death has been to us. I can endorse all that has fallen from the mover of the resolution, which I am sure you will kindly accept. We will pass the resolution in solemn silence.

FIFTEENTH ANNUAL MEETING.

The Fifteenth Ordinary General Meeting of the shareholders of the Salt Union, Limited, was held on March 15th, 1904, in the Law Association Rooms, Liverpool. Mr. T. B. Royden, the Chairman, presided.

THE DIRECTORS' REPORT.

1. UNION'S TRADE IN 1903.—The quantity of salt delivered by the Company in 1903 was 898,000 tons, as against 925,000 tons in 1902. The arrangement with other manufacturers has continued in force.

2. COST OF MANUFACTURE.—This has shown a slight increase during the past year, the cost of fuel having been somewhat higher.

3. MAINTENANCE OF PLANT, &c.—The district managers have certified that the respective works, plant in operation, craft and rolling stock, in their several districts, have been maintained in good order during the past year. In addition, depreciation has been written off craft and rolling stock.

4. GAS PRODUCER PLANT.—This is now complete, and a commencement has been made in the application of gas firing to a portion of the existing salt plant at Weston Point.

5. MANCHESTER SHIP CANAL.—The Union's claim for damage arising out of the closing of the tidal openings was heard in the early portion of last year by Mr. Aspinall, K.C., acting as arbitrator. On the assumption that the Union's reading of its protective clause in the Manchester Ship Canal Act, 1896, was correct, he awarded £6,500 as damages for the past and £1,100 per annum during the continuance of existing conditions, but stated a case on the point of law. The Union's contention was sustained by the High Court, but the Canal Company appealed. (The appeal was decided in the Union's favour by the Court of Appeal on 11th February last, and the arrears of damages, with interest, have since been paid.)

6. CONVERSION OF SHARES INTO STOCK.—As stated in the notice convening the meeting, resolutions will be submitted for the conversion of the preference and ordinary shares into corresponding preference and ordinary stocks.

7. PROFIT AND LOSS ACCOUNT.—The net profit amounts to £99,619 11s. 1d., or, including the balance brought forward from 1902, £101,747 1s. 11d. From this has to be deducted debenture interest for the year, £54,000, leaving an available balance £47,747 1 11

Your directors recommend that a dividend for the year ended 31st December, 1903, be declared at the rate of 6/- per share on the preference shares, which will require .. £30,000 0 0

That there be placed to depreciation reserve fund .. 15,000 0 0

And that there be carried forward 2,747 1 11

£47,747 1 11

THE CHAIRMAN'S ADDRESS.

The Chairman : Gentlemen, there in one point I wish to inform you upon, and it is this. Some time ago we were asked why we did not adopt the ways of manufacturing salt by which bye-products of some value might have been obtained. Well, we did not think at the time that that patent was sufficiently advanced. Since then the Mond Gas Company has been brought out, and we have thought that the time had arrived for us to consider the adoption of that process, and I am glad to be able to tell you that within the last week or two we have started that process at the new works which we have erected at Weston Point, and so far as we can see it will be eminently satisfactory. I trust it may be so, in order that we may advance either in that direction or in others so as to cheapen the production of salt, and ultimately bring the Salt Union to the state which we all very much desire. I now beg to move, gentlemen, the resolution for the adoption of the report and accounts.

AN INTERESTING RESUME.

Mr. G. H. Cox (Deputy-Chairman) : Mr. Chairman and gentlemen, I have very much pleasure in seconding the adoption of the report and accounts, as proposed by Mr. Royden ; and I think we may congratulate ourselves upon the generally favourable nature of those accounts. . . . You will agree with me when I say that it is no use manufacturing an article, however perfectly and cheaply, unless you can sell it, and sell it well. I have no hesitation in stating that our sales department is thoroughly organized and excellently manned. . . . But, gentlemen, however well we may conduct our own business (and at even prices with our competitors we can sweep the board), if we are to realise remunerative prices, it is necessary that we should work in agreement with the said competitors. The old policy of the Board had been such as to create a number of these new salt makers, and being there, they have to be reckoned with. The late Mr. Ward and Mr. Pretty succeeded in establishing the British Salt Association, whereby the prices and tonnages of all the members were regulated, and I should like to acknowledge here and now, how much we are indebted to them for their pioneer work. Since Mr. Ward's death the duty, and a very serious one it is, has devolved upon me with the assistance, first of Mr. Rowbotham, and second of Mr. Clark, of presiding over the British Salt Association. During the past year grave difficulties arose in connection with the working of the British Salt Association, which was materially added to by the advent of two entirely new salt works, one in Cheshire and one in the Isle of Man, and the threat of others to follow. At one time it appeared as if the association must be broken up, but I am happy to say that this has been avoided, and a better agreement entered into by the great bulk of the salt makers than that which obtained before. Briefly, we have pooled our makes, all sales being effected through one channel, and the average prices realized each month credited to each member for his respective tonnage ; while the loss of tonnage due to

the new makers is borne pro rata among the members of the association, or Salt Office, as it is called. In this way we are able to meet the competition of new outsiders with the minimum amount of loss, and we hope that ere long all those who are not members of our association will find it their interest to join it. I wish to clearly point out that our association only aims at maintaining a fairly remunerative scale of prices—a living wage—and that it has no desire to extract high ones from the general public, thereby repeating the mistake made during the early life of the Union. At the same time, it is of vital importance to those who are already in the trade to combat to the utmost of their power the introduction of any further tonnage. In this connection, and looking to the difficulties and uncertainties that inevitably surround the working of such an association as that which now controls the salt trade, I think it is prudent on the part of the Salt Union to build up ample reserves that shall be available in case a war of prices were to break out.

THE PREFERENCE SHAREHOLDERS' CONTENTION.

Mr. Alexander Armour: I am a preference shareholder, and I think it is only right that the other side should be heard. The question of the first cost of the Salt Union we know is a matter of ancient history, and it is quite a different question to that which we are considering to-day, which is whether it is wise now to declare a dividend on the preference shares. To do so you must be guided by what you have before you, and that is the profit and loss account. If the gentlemen who have just spoken could prove by the accounts that there was a loss on working, I, for one, would support them, and would say there is no room for a declaration of dividend whatever, but instead of that I think the account, to my mind, is surprisingly strong, and I will tell you why I say so. In the first place, you have a clear balance of £99,000, in round numbers £100,000, of gross profit. Now, that is as clean a profit as ever was earned in the world. Now, the question you have to consider is what you are going to do with that £100,000. In the first place, you must of necessity pay your just and lawful obligations to your debenture holders, which are £54,000. That leaves you with £45,000. If the directors had said: "We are going to divide that for the benefit of the shareholders," I, though only a preference shareholder, would have thought that unfair, but they are not doing anything of the kind. They are going to retain £15,000; and let me point out to those gentlemen who have just spoken that not only is £15,000 left over, but there are £35,000 in reserve. You may say it is only a matter of account, but still it is there as an actual reserve that is undivided profit from some other years. Therefore you have £50,000 wherewith to make a new investment in what I do believe, and I speak with some knowledge of what is going on, will prove very satisfactory, for I have a friend who has the Mond gas in his works at Warrington, and who speaks very highly of it. Therefore you are making a new departure of the most important kind. Whatever the blunders of the past may have been they are remedied, and when gentlemen come into this room and say that these experiments recommended by the directors should not be entered upon, I,

for one, feel it my duty to say as one who does understand something of these matters, that I think altogether this account is one which is worthy for the directors to submit to us, and that with what they propose to do they have not given too large a dividend to the preference shareholders, and they have retained sufficient to carry on a new phase of business which I hope will result in profit to the Company.

THE WORKS COMMITTEE SUPPORTED.

Mr. G. H. Ball : I have listened with great attention to what you have said, and I agree very strongly with what has been advocated in regard to the appointment of a sub-committee of directors to look after the actual management. I am sorry to say there are a great many companies with boards of directors who leave everything to their managers, and things are not as satisfactory as they might be. . . . It may be pointed out that under the management of a general manager the expenses were down at a certain point, but when they came under the Management Committee of directors those expenses increased. Well, I can quite understand that. The manager was anxious to keep down expenses as low as he possibly could, and allowed the property to depreciate in order that it might appear he had worked the concern with great success. The directors have investigated these things, and find that the property, the working plant, and so forth, are not in the condition they would like to see them, and consequently they have to charge the revenue of later years in order to put that property into a sound condition. Now we are told a large amount has been charged to revenue in order to maintain the plant and works, and I presume from those statements the plant is now in a satisfactory condition. In that case I think we have to commend and praise the directors for having brought about this condition, and it shows you how important it is in companies of this kind that the directors should be men who have some practical knowledge of the working of these concerns, and who are ready to devote their time and attention to the business. I am quite in support of the action of the directors, and I disapprove of what has been said by this gentleman.

A STATEMENT QUESTIONED.

Mr. Henry Seddon : I am a manufacturer in opposition to this Company in a certain sense, but working with it in another sense. I do know this, and you may take it from me as a fact, that the position of the Salt Union was never stronger, since it was a Union, than it is to-day. Our vice-chairman made one statement which I cannot accept, and I am really sorry he did make it. It was this, that this Company could sweep the boards of outsiders.

Mr. Cox : I am quite prepared to repeat it.

Mr. Seddon : You may repeat it, but all the same I give a most emphatic denial to that statement. I have been in the salt trade all my life, in fact, I was born in it, and know it as well as any gentleman in this room, not

excepting even the Board. I think that statement Mr. Cox was not warranted in making. I say that with all due deference to Mr. Cox, and not in any antagonistic spirit, but it would perhaps have been better left unsaid.

The Chairman : It has been said that if the gas plant is a success and you carry it further, as no doubt you would wish to do, what becomes of your old plant ? All I have to say, and I think the shareholders will agree, is that the directors must take advantage of everything which will cheapen the cost of production, even if part of the old plant is superseded. We manifestly cannot on the one hand continue to use old plant when newer plant might be provided by our competitors. If the Salt Union is to become a substantial and solid Company, it must take advantage of every improvement in the manufacture. It is further apparent that there are some who do not believe in the Works Committee. Well, I think I have a right to say I have been connected with industrial undertakings all my life, and I have never yet known an industrial undertaking to be a success where the directors themselves did not take a personal interest in the company, as if it was their own business. With that view, as I have stated, I asked the directors to take that personal interest, and they have done so. They spend their time ; in fact, I may say almost day by day they visit the various works. They personally superintend the manufacture of salt. They keep themselves in touch with all officials, and the result is that I unhesitatingly say the staff of the Salt Union of the present day is in a higher state of efficiency than I believe it has been since the formation of the Company. Well, gentlemen, I need hardly refer to the question of repair of works, because it has been already spoken of. The fact is the cost of repairs under the old directors, per ton of salt, was not as much as the cost under the new directors. That is what has been said. Well, gentlemen, as was pointed out by my friend over there, the reason for that is evident. The works were not kept up in the way they should have been. They were not kept up in accordance with the leases, and we might have been called upon, and we have been called upon from time to time, to lay out a very considerable amount of money on various works in order to free us from the obligations which we were obliged to agree to in those leases. And that accounts for far more than the difference which has been given. Then there is another question, the subsidence of land, especially at Winsford, which we, of course, have had to meet. All those are expenses. I speak for myself and co-directors, and we believe when a difficulty arises that we have to face it, and it is our duty to carry out the obligations which were undertaken, not by us, but by the former directors of the Board. Then we have been asked if we provide sufficient against our leases which in course of time may run out ? So far as those leases run out we have not found any difficulty in coming to an understanding with the owners of the property, and I do not believe that in the future we shall have difficulty, but we provide, as you see by the accounts, as well as we can. . . . I think, gentlemen, I have touched upon all the points, but I must refer once more to the question of the extra fee to the directors, because I feel it all important. I do wish all the shareholders to clearly understand that so

long as I remain chairman I am quite willing, at any time, if it is the wish of the shareholders that someone else should be appointed in my place—I am perfectly willing, and I might almost say I should be very pleased, to resign the onerous duties which are imposed upon me. But I have felt that I took up this position in order if it would be possible to save the Salt Union from coming to an end, and I shall be very pleased if during my time of office I can work it round into a strong substantial position with the help of my co-directors. But the shareholders must have confidence in me that to the best of my ability I shall ask my co-directors to second my efforts and the staff generally.

REPORT FOR 1904.

Report of the Directors for the year ended 31st December, 1904.

1. UNION'S TRADE IN 1904.—The quantity of salt delivered by the Company in 1904 was 890,000 tons, as against 898,000 tons in 1903. Prices have been gradually declining throughout the year.

2. MAINTENANCE OF PLANT, &C.—The District Managers have certified that the respective works, plant in operation, craft and rolling stock, in their several districts, have been maintained in good order. In addition, depreciation has been written off craft and rolling stock, and a further £20,000 has been placed to the Depreciation Reserve Fund.

3. MOND GAS PRODUCER PLANT.—This plant has been in operation for some time, and the application of the gas-fuel in the salt works is proceeding satisfactorily.

4. DIRECTORATE.—Mr. John Holt retired from the Board at the end of the year.

5. PROFIT AND LOSS ACCOUNT.—The net profit amounts to £87,022 14s. 5d., or, including the balance brought forward from 1903, to £89,769 16s. 4d. From this has to be deducted Debenture Interest for the year, £54,000, leaving an available balance £35,769 16 4

Your directors recommend that a dividend for the year ended 31st December, 1904, be declared at the rate of 3/- per share on the Preference Shares, which will require .. £15,000 0 0

There has been placed to Depreciation Reserve Fund.. 20,000 0 0

Leaving to be carried forward 769 16 4

£35,769 16 4

The dividend will be payable on and after 5th April, 1905, to shareholders registered on 4th March.

By Order of the Board,

H. BOWMAN,

Secretary.

45, TOWER BUILDINGS, LIVERPOOL,

6th March, 1905.

SIXTEENTH ANNUAL MEETING.

The Sixteenth Annual Meeting of the shareholders in the Salt Union, Limited, was held on March 15th, 1905, at the Law Association Rooms, Cook Street, Liverpool. The chair was taken by Mr. T. B. Royden (Chairman of the Board of Directors).

THE CHAIRMAN'S STATEMENT.

The Chairman : I beg to move that the report of the directors and statement of accounts and balance sheet for the year ending 31st December, 1904, now submitted, be received and adopted. I do not know that there is much that I require to direct your attention to, except the important matter of the state of trade, and I regret that we have not been able to put before you a more flourishing report of the state of the salt trade. The loss of revenue is mainly, I may say almost altogether, attributable to the state of our Indian trade. In consequence of the very low freights granted by the coasting services from the Salt Works on the Red Sea they have been able to send large supplies from there to the Calcutta market, and consequently although we have not lost in tonnage, we have certainly lost in price, and that has made our trade not profitable. Then again we have another important branch, the chemical trade. I am sorry they, like ourselves, have not had a very flourishing year, and the supplies they usually take from us have had to be curtailed to a considerable extent. These two items, and a slight diminution in prices in the home trade, are the main features in the loss of profit. . . . Another point is that we have after very considerable discussion and mature deliberation come to the conclusion that they had a vacuum plant in America which was working very successfully, and was producing salt at a very considerably less cost. We asked our former engineer, a man of very great experience, Mr. Rigby, to go over there, and spend some time over it, and he was so satisfied with the results that we have engaged to take a plant of that description, to be erected in Cheshire. If we are as fortunate with it as they seem to be in America, I think success is sure. I only wish to point this out, that it may take time, to avoid entering into schemes which may prove fantastic after all ; but I mention it to show that the directors are alive to the fact, which has so often been impressed upon us both by the Press and shareholders, of the necessity of making use of every invention which may possibly be deemed to be one which will bring about a reduction in the expense of making salt, because we feel that that is of vital importance to our interests. With these remarks I beg to move the adoption of the report, accounts and balance sheet.

HISTORY OF THE SALT UNION REVIEWED.

Mr. George H. Cox : I regret as much as anyone in this room, that we are unable to lay before you a more favourable one. If we have not commanded success, I venture to assert that we have deserved it. The task that

I and my colleagues undertook seven years ago has proved to be a very much greater and more complicated one than we anticipated ; and I can assure you that had I not felt honourably bound to try and carry out the desires of those who placed me here, I should long ago have resought the leisure and freedom that I previously enjoyed. . . . In order to arrive at a fair estimate of the existing position, let us, first of all, consider what was the origin of the Salt Union, about which, as you all are aware, I had nothing whatever to do, but whose instructive history I have been led to study closely. Its formation was the outcome of a deplorable condition of the manufacturing trade, many firms being on the verge of bankruptcy at that time. To save themselves they formed the Union, by means of which they strove to make a complete monopoly. In order to achieve this monopoly extravagant prices were paid for certain properties and works, the money was eagerly supplied by a confiding public, and the consequence was that the Union was vastly over-capitalized. In addition to this over-capitalization, extremely onerous leasehold engagements were entered into with the ground landlords. To crown all, the then directors raised prices enormously, thereby killing certain outlets of trade and inducing outsiders to seek for fresh sources of brine, which they promptly found, and soon established competing works. These gradually grew under the umbrella of this Salt Union, until they now produce about one-third of the total output of salt. In addition to this, great changes have occurred in the world's requirements. The chemical trade has been largely revolutionized. Instead of salt, the basis of the chemical manufacture in many cases is now brine. Consequently, whereas in the early days of the Salt Union the chemical trade took 600,000 tons per annum, it now only requires about 100,000 tons. Again, hostile tariffs abroad have greatly hindered our export trade. . . . This, gentlemen, is frankly the sort of trade in which we are embarked, and I think it is well that you should thoroughly understand it. The Salt Union has some notable advantages over its competitors. It possesses the best and most favourably situated works, and has an unlimited supply of brine and rock salt. It also possesses several profitable subsidiary businesses and specialities, and has an unrivalled selling organization. On the other hand, it was from the beginning over capitalized, and is handicapped by leasehold engagements, and the possession of far more properties and works than the existing trade can profitably employ. If you, and the shareholders generally, will realize this, you will have a better idea of what your property consists of, and the very difficult task your directors have in managing it. . . . As chairman of the Works Committee, I can assure you that no pains have been spared by the members of that committee, and by the Board (after careful investigations and consultations with our officials), to effect economies and improvements in the methods of working throughout all our districts. The fulfilment of these duties involves a great deal of time, thought and labour ; and it may interest you to know that it necessitates travelling to the extent of many thousands of miles in the course of a year. . . . We have endeavoured, as much as possible, to concentrate our working in order to economize, but our efforts in this direction are greatly hampered.

by the leasehold obligations entered into at the formation of the Union. It is well that in considering the affairs of the Salt Union you should always bear this in mind. Still, in spite of this, we have succeeded during 1904 in effecting substantial savings. . . . We are sedulously working to this end, and hope to succeed, in spite of the great obstacles in our path ; and we expect to be materially helped by the advent of new processes of manufacture. You will notice that I have just referred to new processes, and prominent among them are the application of Mond gas to the pans instead of coal firing ; and the method of evaporating the brine in vacuum pans. You will not expect me to say much concerning them. Let us hope that they will ultimately tell a flattering tale in subsequent balance sheets. I will, therefore, merely content myself by saying that we are successfully working the Mond gas producer plant, thereby obtaining the gas as fuel, and recovering the sulphate of ammonia, and I am glad to say a larger amount of this product than anticipated. The application of this gas fuel to the pans is still in the trial stage. We have had to learn and unlearn many things in connection with it, but from what we have already accomplished I am sanguine that satisfactory results will be attained. This Mond gas plant has been throughout the year a matter of constant and earnest attention upon the part of the Works Committee and the staff in charge of it, and our thanks are specially due to Mr. Chadwick and Mr. Munton, in whose hands the practical and scientific working of the plant has been placed, for the manner in which they have performed their responsible duties. The completion of the gas firing experiment and the beginning of the vacuum processes will be among the principal means whereby we hope to cheapen the production of salt during the current year.

Mr. Milliken : As representing a considerable body of Irish shareholders, and also a few English shareholders, in the remarks I am about to make, I was very pleased to hear Mr. Cox's statement as to the Mond gas producer plant, and I hope, as I am sure we all hope, that it may prove very profitable to the Company. Those whom I represent are greatly dissatisfied with the results of last year's working, and wish again to impress upon the Board the necessity of improving and strengthening the management of the Union. . . . To remedy matters, we advocate the removal of the Works Committee, and the substitution of a manager for the Cheshire division, who should be a thoroughly good organizer. The committee costs us £2,600 a year in extra fees, besides travelling expenses, and they, as I hope you will all agree with me, at the best can only put in a few hours' work per week, on the spot where the work and supervision ought to be done. One good man would do such work, and could put his finger on leakages which doubtless these gentlemen never see, and at less cost. If the reports I have heard in Liverpool to-day are really true, it is owing to a series of disagreements with the Board that Mr. John Holt retired. It is a serious thing to us who have so much money at stake if those reports are true.

The Chairman : I am sorry to stop you, but I am not aware of it.

Mr. Milliken : Well, those are the reports I have heard in Liverpool to-day

The Chairman : I certainly ought to know.

Mr. Milliken : You certainly should know, but whether you are willing to disclose it to the meeting is another thing.

The Chairman : I have nothing to disclose. I know that Mr. Holt has not agreed with some members of the Board, but we have all exercised our independent views ; but I have no reason to suppose what you suggest. The reason he gave to us was that owing to his business engagements he could no longer give anything like the amount of time that he ought to devote to the work. He found the duties of a director of the Salt Union too onerous for him to discharge.

DECREASED PRICES AND INCREASED COST OF MANUFACTURE.

Mr. Fells : I think it is perhaps purely a matter of inadvertence that there was no expression of regret on the part of the Board of this Company that they have lost the services of Mr. Holt. I would like at any rate to pay my tribute to the energy and ability he devoted to the Company's affairs, and I feel sure I am but expressing your views, although unfortunately they were not expressed by you. It may be, from what the chairman has said, that Mr. Holt had differed from some of his colleagues. It may be that the rift is more serious than some of us had thought, and your not expressing your views with regard to this particular point was due to a difference on some large question of policy. However, I have no doubt that you will deal with the matter in your reply, and I feel sure in that reply you will join with me in an expression of regret that this Company has lost Mr. Holt's services. With regard to the gas producer plant, I notice the very careful manner in which you and the Deputy-Chairman expressed their views with regard to this plant. I rather gathered that it was a most excellent plant with regard to the production of ammonia and of residuary products, but that you cannot, after your experience, give any definite or decided opinion as to the economies that would arise in the manufacture of salt. Well, I think it is rather regrettable that a year should have elapsed and that you should not be able to come to any definite conclusion on that point, particularly as you have spent a very large sum, £47,000, with the hope of cheapening salt production. But there was a further matter to which you alluded, and that was the probability of having to adopt, or adopting, a vacuum plant from the States. Now it seems to me that either the adoption of the Mond producer plant was too soon or too late. In fact, you are not quite certain whether the vacuum plant will answer more successfully than the gas producer plant. . . . You have had practically three administrations in this Company—1889-90, which may be considered the vendors' administration ; 1891 to 1898, which was the commercial administration ; and now you have the last, for which I will leave to the gentlemen responsible to find a suitable adjective—for I shall not do so. I should like to say in connection with this matter that the policy of the present administration can only be decided by results. . . . I would like to point out that as the result of the last six years, as compared with the

previous six years, the cost of salt-making—general charges I should say rather—has increased 9·39d., from 2s. 6·55d. per ton to 3s. 3·94d. per ton : and that the profit on salt has decreased from 4s. 6·01d. to 4s. 3·49d., a decrease of 2·52d. per ton, so that as a matter of fact you have realised 2½d. per ton less, and spent 9½d. a ton more in the manufacture ; whilst at the same time your trade has decreased by 24·81 per cent., but I gather as a matter of fact that the increase in competition has been greater in the last three or four years than it was before ; and that was very largely, I think, due to the fact that you have had a combination in the trade, the result of which has been that you have kept your prices, but your competitors have taken the business to a very large extent. Therefore it does not do. I think you will agree that your policy, tested by results, has not answered, for you have had a fairly high range of prices, with the result that you have done a diminished trade.

Mr. G. H. Ball : There is just one matter I have a little interest in, and which I have been watching from the commencement, and that is with regard to the gas producer plant. When the Mond process was first formulated it was put forward as a great advantage to the working of that system that the slack and refuse at the pit banks was to be obtained at such a price as to make the working a successful one. Now, I anticipated when that was first put out that the time would come, owing to the increased demand for this refuse, that the prices would go up, and consequently the profits would be less. Now Mr. Cox has told us to-day that that has actually occurred, and that we have to pay more for slack than we did some time ago, so that you see the question of expenditure in this plant is one of very doubtful utility, because of that, and also because in another direction, Mr. Cox has told us that we now produce sulphate of ammonia. What has been the result ? The price of it has gone down very much.

Mr. Cox : Let me answer whilst we are there with regard to the slack. The Mond gas producer requires a totally different class of slack than that used in the common pans throughout Cheshire. Therefore it has no relationship whatever to raising the value of slack used in the common pans. There is a tendency for prices to stiffen. With regard to sulphate of ammonia, prices have gone up £3 a ton since we ordered the gas producer plant.

Mr. Ball : But it is going down, and has been for the past twelve months. I know something of the facts. It has gone down, and the results to the gas companies have been less than they would have been owing to the falling off in sulphate of ammonia, and it has produced, no doubt, an increase in the value of the material which was calculated to be used for the Mond process, and no doubt it will go on.

Mr. Ambrose Ward : About this gas producer. I should like to know, as a whole, is there any saving ? Does it benefit the Union as a whole having the gas producer ?

Mr. Cox : We are not yet in a position to make a complete trial to arrive at absolutely clear results, and therefore it is not fair to ask at the present

moment as to how far it is going to cheapen things. I should like to say to Mr. Fells that the Board is just as sorry as he and the shareholders are, that it has taken so long a time to get this gas plant into full working order. As a matter of fact, the gas plant was not started until March of last year, and it was another three or four months before we got all the producers at work, and that, coupled with the difficulties of alterations to the gas plant, and so on, landed us into this position, that we have not yet been able to have a really clear trial of the thing from beginning to end.

The Chairman : Well, Mr. Fells, as to the suggestion that we were too soon with the gas plant or too late, I must point out that that is not the case, because there is no reason why the gas plant should not be adapted to the vacuum plant we propose to erect, and therefore, this first plant we are now using—or shall be using—may be worked in connection with the vacuum, and also the existing plant. There is no reason why we should not put up the vacuum plant in Cheshire ; and there is no reason why the gas producer should not be put up in connection with the vacuum plant, and therefore your observations fall to the ground. With regard to Mr. Holt, I am sure personally I was very sorry to lose Mr. Holt as a director. We did not pass a vote of thanks to him, because they had been expressed to him privately, and I don't know that there was any reason why we did not do so publicly. It would be very nice for the shareholders to do so now.

The resolution to adopt the report and balance sheet was then carried by a large majority.

The Chairman moved, " That a dividend for the year ended 31st December, 1904, be declared at the rate of 3/- per share on the preference shares."

Mr. Alexander seconded.

Mr. Milliken : I beg to move that the dividend of 3/-, as recommended, be not paid, but placed to the credit of the reserve fund.

Mr. McDowell : I have much pleasure in seconding the amendment.

A Shareholder : May I ask if the directors have a moral right to dispose of the money ?

The Chairman : We have the right to recommend it, and the shareholders may refuse to sanction our recommendation.

On being put to the meeting, the amendment was defeated, and the motion adopted.

REPORT FOR 1905.

1. UNION'S TRADE IN 1905.—The quantity of salt delivered by the Company was 861,000 tons, as against 890,000 tons in 1904. But for the decline in shipments to the East, due mainly to the Dock Strike, and to scarcity of tonnage, the trade would have shown a satisfactory increase. Prices have dropped continuously since 30th June, when the Association of Manufacturers was dissolved.

2. MAINTENANCE OF PLANT, &C.—The District Managers have certified that the respective works, plant in operation, craft, and rolling stock, in their several districts, have been maintained in good order. Depreciation has been written off craft at the same rate as in 1904, and the usual provision made for the replacement of rolling stock.

3. NEW PLANT.—The large plant on the multiple vacuum principle is practically complete, and is expected to be working this month.

4. DIRECTORATE.—Your directors deeply regret the loss of a valued colleague by the death of Mr. Archibald Roxburgh on 30th January. Mr. James Henry Beazley has been appointed to fill the vacancy.

5. PROFIT AND LOSS ACCOUNT.—The net profit amounts to £68,399 17s. 2d., or, including the balance brought forward from 1904, to £69,169 13s. 6d. From this has to be deducted Debenture Interest for the year, £54,000, leaving an available balance £15,169 13 6

Your directors recommend that there be placed to						
General Reserve	..	..	..	..	..	£15,000 0 0
Leaving to be carried forward	..	..	..	..		169 13 6
						<hr/>
						£15,169 13 6

6. THE DIRECTORS retiring by rotation are Mr. William Harvey Alexander and Mr. Herman John Dalk, who, being eligible, offer themselves for re-election.

By Order of the Board,

H. BOWMAN,

Secretary.

COLONIAL HOUSE, LIVERPOOL,

7th March, 1906.

SEVENTEENTH ANNUAL MEETING.

The Annual General Meeting of shareholders of the Salt Union, Ltd., was held on March 16th, 1906, at the Law Association Rooms, Liverpool. Sir Thomas B. Royden, Bart., Chairman of the Board of Directors, presided.

The Chairman : I shall have a few remarks to make about the report, and I will commence with what I have no doubt you have noticed, that we have sold a less amount of salt, less in tonnage, this year, in 1905, than in 1904. The reason of that is not far to seek. First of all there was a strike of the dock labourers in Liverpool, which prevented the steamers, the liners, taking as much cargo of salt as they intended to do. There was also a difficulty in getting the requisite and proper amount of freight in order to enable us to send the salt out to Calcutta, to India, with advantage. That accounted for the diminution in the gross amount of salt sold. As far as the home and other trade was concerned, there was an increase, but the diminution was in the salt which has been sent to India. Well, then, gentlemen, there comes another point which I have no doubt will have been noticed by all of you, and that is

THE DIMINUTION OF PROFITS.

Of course, if you sell less salt, it is natural to suppose there would be less profit, but the great cause, the principal cause, was that the combination which we entered into with the outside makers came to an end. It was not a good one for the Union, but it was the best under the circumstances. The arrangement was that each outside maker was limited to a certain amount of tonnage, and the Salt Union was to have the balance, but before very long, after this association was formed, we found that some were making more salt than they agreed to, and were enlarging their plant, and in some cases putting up new pans. We, therefore, felt under the circumstances, that though it had been a temporary advantage, it was working very much against the Union, and it was nothing like fair play. We, therefore, gave notice to terminate that arrangement, because we felt that we had arrived at the position where we could make an effort to regain what, I think, you will agree with me are our rights, but we are willing to enter into that combination again if our rights are fairly treated ; that is to say, if the trade will not allow of all pans being worked, there should be a pro rata diminution ; in which case justice would be done, compared with the injustice which the Union have had to put up with—nearly half of our pans having been lying idle, whilst theirs have been working to their full strength. I say that that was never a fair position for any company to be in. Your directors were therefore determined to terminate that, although willing to enter at any time into arrangements on an equitable basis, by which they shall be able to make salt by their pans in due proportion to that made by the pans of the outsiders. Now our loss of profit, as I said before, is mainly due to that association coming to an end. There then commenced a fall in prices, which has continued up to the present time. I can only express the hope that the out-

siders will see that, while the Union are determined to maintain their rights, they are prepared to meet them fairly. We hope that commonsense will prevail: and that they will see that it is better to work half or two-thirds of their pans at a profit, than the whole of them at a loss, or something akin to it. Now I have heard it stated that the Salt Union are bound, hand and foot, to one large chemical firm. I need make no secret about it—that is the large firm of Brunner, Mond & Co., and I may explain that

THERE IS A MUTUAL UNDERSTANDING

that they will not sell or lease any of their lands for the purpose of making salt, or make salt themselves, except for their own purposes, and we undertake, on the other hand, that we will not sell or lease land for the purpose of making alkali by the ammonia-soda process. We are not bound as to any other process. Now, lately, we have been approached by other firms to sell or lease land to them, not only in Cheshire, but in the North-eastern district of Middlesbrough, for the purpose of making alkali by the soda-ammonia process; and it is a matter which has been, and is still being, seriously considered by your directors at the present time, whether we should avail ourselves of the right we have under this arrangement to give six months' notice to terminate it. Of course, if these gentlemen propose to us such terms as we think are favourable and right, I think your directors will favourably view the position of giving six months' notice, and so bringing those lands and brine into use which at present they do not want. I think that is a correct way of looking at this matter.

NEW PLANTS.

I am happy to say that the plant at Weston—that is to say, the gas-producing plant—is working satisfactorily. I am happy also to say that our new vacuum plant, which I daresay most of you know is being put up by an American firm, and which is designed to make salt at a most reasonable price, was started yesterday, and we did hope that we should have some of the salt to show you to-day. We are not able to do that, but on Monday or Tuesday next I expect we shall be in full working order, and it seems to prognosticate a very favourable result. Now, gentlemen, I come to my last point, and that is the

FINANCIAL POSITION OF THE COMPANY.

Well, I think we may point with some degree of pride to the manner in which it has been, I may say, resuscitated. Very shortly after I took office we had a deficit on the debenture interest of £20,000, and a loan from the bank of £25,000. Those items have disappeared. We have paid our debenture interest, and we have placed aside very fair sums in depreciation, notwithstanding that all our plant has been kept up in thorough working order. We have now a balance, instead of a deficit, of £25,000, and we have investments which amount to £46,000. Our object has been to build up this Company by strong reserves—to place it in such a position that we can command respect, and assert our rights when they arise; and I hope you

will agree with me that the only way—it may take a little time, and I may have to ask you for the exercise of patience ; but it is borne out in the history of many companies, there is no way of building up this Company, and making it an absolutely sound concern, so effective as the building up of its reserves from time to time. In order that you may thoroughly appreciate what has been done in the past few years that we have been directors of this Company, I have asked our chief accountant, Mr. Showell, to draw up a statement, which he will read to you, and then you will thoroughly understand the position.

INTERESTING STATEMENT.

Mr. Showell then read the following statement : Whilst the success which has attended the efforts of the Board since the change in the directorate has not been so great as might have been desired, it has been very considerably greater than would appear from the results disclosed by the profit and loss accounts. In order that the shareholders may thoroughly realise the great improvement which has been effected in the financial position of the Union, it may be well to make a comparison with the position in 1897-8. In 1897 there was nominally a reserve fund of £117,500, but the same was not liquid and available, and it had to be swept away in the capital reduction scheme of 1902. Since then the directors have thought it prudent to steadily build up a reserve, which, whilst perhaps small compared to the large figure at which the properties even now stand, is at any rate a real reserve, and almost entirely represented by liquid and immediately available assets. Including the sum set aside this year, we now have £40,000 on general reserve, to be utilized if necessary for fighting purposes, for the further development of new processes, and for the general strengthening of the Company, and we have £45,000 which is specially ear-marked for depreciation. In addition to these reserves, we have built up our insurance funds, which now stands at the very substantial and satisfactory figure of £11,890, as against £2,140 in 1897—an increase of £9,750. Depreciation, which had not been adequately dealt with prior to 1898, has had special consideration. A sum of over £23,000 has been written off steamers and barges (during the past three years) over and above the great reduction made by the capital adjustment scheme, and this has, of course, been all charged against revenue, in addition to the ordinary upkeep. As to rolling stock, the directors recognized the absolute necessity, imposed upon us by the Board of Trade regulations, of its being gradually replaced, and a sum of no less than £28,000 has been set aside during the past seven years, out of which we are gradually building new stock to replace that which is worn out or become obsolete. This provision has been charged against revenue, and is over and above the ordinary upkeep of the stock, which costs us no less than £15,000 per annum. During the period the sum of £22,500 has been expended upon the rebuilding of works, and expenses in connection therewith, mainly owing to subsidence in certain districts, over and above the ordinary maintenance. The following is a summary of the extraordinary payments and provisions which have been made out of revenue since 1898 :—

	£
General Reserve	40,000
Depreciation Reserve	45,000
Insurance Funds	9,750
Depreciation of Craft	23,000
Rolling Stock Replacement	28,000
Sundry other Provisions	5,000
Works Rebuilt	22,500
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A Total of	173,250

It will therefore be seen that we have been seriously handicapped, but that the matter has been faced boldly and a safe conservative policy—which was absolutely essential in the best interest of both classes of shareholders—adopted. The financial improvement may roughly be taken in this way. In 1898 the debts due to the Company, plus the balance of cash in hand, only exceeded the sum owing to creditors by £18,900, whilst at the 31st December, 1905, there was a surplus of £23,600, and in addition there were outside and available investments of £46,365, and beyond all this there have been additions made to properties, including the conversion of valuable leaseholds into freeholds, the erection of the producer gas plant, the new vacuum evaporation plant, and sundry other additions and extensions, costing, in all, over £100,000, without any increase to the issued capital account. In addition to the improvement brought about in the finances, we have been able to distribute £115,000 by way of dividend on the preference shares during the seven and a half years.

Mr. G. H. Cox then said: In seconding the adoption of the report and balance sheet you will doubtless desire me to say something concerning the work and trade of the Union during the past year, in addition to what the Chairman has already told you. . . . We have continued our policy of concentration and retrenchment in every department, the present condition of the trade having led us to be even more drastic in some directions than, perhaps, we might otherwise have been. As you will understand, it is frequently a very painful process, both to those who initiate it, and to those who are personally affected. I am bound to say, however, that the changes have been loyally and uncomplainingly accepted as being inevitable under the circumstances. The alterations have been made at different times during the year, and some will not take effect until the current year. The figures I am about to give you represent what we calculate will be saved in the course of a twelvemonth from the date when the changes came into operation. Thus in Cheshire the many alterations that have been ordered, including some rearrangements in connection with the working of the craft, but chiefly in relation to the conduct of the works and administration, we calculate will result in a saving after the rate of £3,855 per annum. In our Worcestershire district we have set on foot a far-reaching scheme which we believe will

ultimately effect a saving of some thousands of pounds per annum, but meanwhile we can't give exact figures. Finally, in Durham, although the works are very much smaller than in either of the two preceding districts, a very important saving has been effected, amounting to fully £2,500 per annum. As I said last year, we expect ultimately to

MAKE FURTHER ECONOMIES

in administration when the new processes are thoroughly established, but this will take considerable time, and many of the old works will still be required to manufacture the special qualities of salt demanded by our customers.

THE IRISH VIEW.

Mr. Milliken : Mr. Chairman, the remarks I make will be based upon the report I have in my hand. They are as follows : That we think this report is one of the most depressing we have ever had the misfortune to read. It shows that no dividend has been earned on £1,400,000 of capital, and formerly £3,000,000 of capital, and that there is very little prospect of improvement. The deliveries of salt are much lower than last year, and I believe are less than in any year since the inauguration of the Union, with the exception of 1900. The maintenance allowance stands at £44,506, the lowest figure, or nearly the lowest on record. The gross profit is less than in any year since 1899, and steamers and rolling stock are valued at less than at any time. What is the explanation ? Now, Mr. Chairman, what are we to do ? The Board have told us at different times that we possess the most favourably situated works, that we have an unlimited supply of brine and rock salt, several profitable subsidiary businesses, and an unrivalled organization. Those whom I represent believe in the accuracy of those statements, and think it must be through want of nerve on the part of the Board, or want of business capacity, that the most is not made of our unique position.

The Chairman : Do you move anything ?

Mr. Milliken : I suppose I would not be allowed to move anything now.

The Chairman : You can move anything that is in order.

Mr. Milliken : Then I move the appointment of a friendly committee to examine and report on the situation.

The Chairman : You move that as an amendment to the report ? You will only be in order in that way.

Mr. Milliken : Very well ; I move that.

Mr. J. R. Coates : I have pleasure in seconding that.

Mr. Garnett : Although we appreciate what you and Mr. Cox have said, in plain Lancashire, we don't seem to get any forrader, and we get no dividend. It seems to me this Company is going to be

A GOLD MINE FOR POSTERITY,

and posterity has done nothing for any of us. I am quite sure that the shareholders present, and those absent, would be very proud to partake with posterity, if there is going to be posterity, and it is going to be a gold mine. Notwithstanding all that has been said, we are in a worse position, I think,

practically, than we have been in for a very long time. . . . We come here time after time and

GET NO DIVIDEND.

Some of us are original shareholders, or, at least, unfortunately bought at a premium, and on the advice, too, of those who ought to have known, and on the advice, too, of those who were selling on one Exchange, when they were giving that advice. . . . I am sure I shall support the gentleman who has moved the amendment to appoint a friendly committee to confer with the Board of Directors upon the matter throughout.

Mr. Ball : As to the

ARRANGEMENT WITH OUTSIDE ASSOCIATIONS.

Well, what you said to us to-day with regard to that arrangement does not show a great amount of business capacity. I do not wish to make any personal reflections, but it does not show any great amount of business capacity on the part of the directors, because they were actually guaranteeing to these other companies a certain amount of business, and we had to take the residuum. Consequently, I can understand under such an arrangement that the other companies were very successful, and we, of course, had to sustain the loss. I quite approve of your breaking up that arrangement, because I think it was a very absurd one, and does not show any foresight on the part of the directors.

Mr. Fells : Mr. Chairman, I was glad to hear that your financial position is so much stronger than would be apparent from the balance sheet ; and I am also glad to know that you have made it clear that in any future arrangement with regard to price or output of manufactures, some reasonable understanding must be come to by which this Union will not be prejudiced as it has been. I think experience has shown that the one-sided arrangement by which this Company only got the residue of trade was not satisfactory to you or to the Company. . . . There is another matter to which I wish to call attention. Experience convinces us more and more, year by year, that the salt trade has in the last eighteen or twenty years undergone a transformation. There is not the demand for common salt that there has been, and while that change has been going on you have not, probably owing to good causes, utilized your large brine supplies for the

MANUFACTURE OF CHEMICALS.

The brine on your land is your capital, and if owing to a change in the conditions of trade it cannot be utilized in the form of common salt, there is no reason why you should not use the brine itself by some of the processes of chemical manufacture. Of course, the reciprocity arrangement you have with a certain firm may have been a desirable arrangement once, but conditions have changed so largely that that agreement is now rather one-sided in its operation. I say that these things are matters for some adjustment,

and I hope we may have some assurance from you, sir, that they will receive your careful consideration, and that you may come to some practical conclusion on the matter. I, for one, hope and believe that better times are in store for the Salt Union than for many years past, if the revolution which has taken place is now boldly and resolutely faced.

A Shareholder wished to point out that the agreement with Brunner, Mond & Co., referred to by the Chairman, whilst in favour of Brunner, Mond & Co., was very little in favour of the Salt Union. If they had been making chemicals last year they would have had a much better profit to show that day. He thought that all the directors required was an expression of opinion from the shareholders in favour of their taking the necessary steps to convert their brine into chemicals.

Mr. Pyatt asked for a little more detail as to how that £2,400, directors' fees, was made up.

The Chairman : The Accountant will write down the details, while I save time by replying. Mr. Milliken suggests a different system of management. He holds that view, but we do not, and we think we are justified in our opinion from actual observation. . . . Now let me come to the expression of opinion from Mr. Fells, which I deem to be the most important of all. I quite agree with him that we should be very glad indeed to turn some of our property to better advantage. On the question whether our brine is being

ABSTRACTED BY ANOTHER FIRM,

we hold the opinion that it has been, and negotiations have taken place ; but so far they have not resulted in anything. We have now brought the matter into court, or are going to bring it into court ; and therefore you will understand that I cannot now go into details, as action is being taken to secure our rights.

A vote was then taken on the amendment, which was rejected, only six hands being held up in its favour. On the original resolution being put, it was carried with one dissentient.

REPORT FOR 1906.

1. UNION'S TRADE IN 1906.—The quantity of salt delivered by the Company was 910,000 tons, as against 861,000 tons in 1905. For the greater portion of the year prices were at an extremely low level; but to this the formation of the North-Western Salt Company, Ltd., has, in the opinion of your Directors, been largely due.

2. NORTH-WESTERN SALT COMPANY, LTD.—A Company was registered under this title on 22nd August, and has, as from the 17th September, entered into an agreement with the Union and other manufacturers. This arrangement has had comparatively little effect upon the returns for last year, owing to the bulk of the deliveries having been made under old contracts at low prices; but your directors believe that it will be decidedly to your advantage in the future.

3. MAINTENANCE OF PLANT, &C.—The district managers have certified that the respective works, plant in operation, craft, and rolling stock, in their several districts, have been maintained in good order. Depreciation has been written off craft at the same rate as in 1905, and the usual provision made for the replacement of rolling stock.

4. NEW PLANT.—The plant on the vacuum principle has been in constant work since it was started a year ago, and has proved quite satisfactory.

5. PROFIT AND LOSS ACCOUNT.—The net profit amounts to £70,104 11s. 6d., or, including the balance brought forward from 1905, to £70,274 5s. od. From this has to be deducted debenture interest for the year, £54,000, leaving an available balance £16,274 5 0

Your directors recommend that there be placed to		
General Reserve	10,000 0 0	
And to Depreciation Reserve Fund	5,000 0 0	
Leaving to be carried forward	1,274 5 0	
	<hr/>	£16,274 5 0

By Order of the Board,

H. BOWMAN,

Secretary.

COLONIAL HOUSE, LIVERPOOL,

18th March, 1907.

EIGHTEENTH ANNUAL MEETING.

The Eighteenth Ordinary General Meeting of the shareholders in the Salt Union was held in the large room of the Exchange Station Hotel, Liverpool, on March 27th, 1907. In the unavoidable absence of the Chairman, Sir T. B. Royden, Bart., the chair was taken by Mr. G. H. Cox, the Deputy-Chairman.

THE CHAIRMAN'S ADDRESS.

The Chairman : The resolution I now have the pleasure to move is as follows : " That the report of the directors with statement of accounts and balance sheet for the year ended 31st December, 1906, now submitted, be received and adopted," and in doing so I should have liked to have been able to present you with a more favourable one. Nevertheless, had it not been for the great efforts we have made during recent years to effect economies in administration and in cost of production, the results would have been much less favourable than they now are. It has often been said with regard to the salt trade that when the trade of the country is in a highly prosperous or booming condition such as now obtains, it is not good for salt, and the reason is not far to seek, because when general trade is active it means that prices are high of raw materials and coal, and also that freights are higher, while it does not follow that any higher price can be obtained for the salt produced. I mention this because some people think that because the general trade of the country is prosperous our branch of it ought consequently to be equally so. I can assure you that the year 1906 will

NOT BE READILY FORGOTTEN

by anyone engaged in the salt industry owing to the fierce competition that prevailed throughout the greater part of it, when prices fell to a lower level than ever known, at all events within recent years. It is true that for the last three months prices were materially advanced through the action of the North-Western Salt Co., Ltd., but this only affected a part of the salt delivered during that period, the remainder having been previously contracted for at lower rates. You will understand, therefore, that your directors passed through a very anxious time, and the same applies to our officials and staff, and I should like to take this opportunity of thanking them, and also the great body of artisans for the admirable way in which they supported us during this trying period. We eventually came very well out of the fight. We gained tonnage to a considerable extent, having delivered 910,000 tons as against 861,000 tons in 1905. We actively pursued our policy of

CHEAPENING THE COST OF PRODUCTION

in every possible way, in which we were quite successful, in spite of the increased cost of coal and other materials; and finally we succeeded in making a very satisfactory working arrangement with our competitors for

the future regulation of tonnage and prices. You will see from the account that after making very liberal provisions as formerly under various heads, we have an available balance, including the small amount brought forward from the previous year, and after paying the interest upon debentures, of £16,274 5s., which we have disposed of as follows: To general reserve, £10,000; depreciation reserve fund, £5,000; carried forward, £1,274 5s. Now some of you long-suffering shareholders may think we ought to have declared a small dividend on the preference shares, and I am bound to say I have much sympathy with that view, but I am sure that the prudent business men among you will agree with the decision arrived at by the Board. This time last year a very similar amount of profit was dealt with in a somewhat like manner, and it was especially necessary then, in view of the disorganized state of the trade, that it should be so treated. The present outlook is very different: we have emerged from the contest stronger than we were before, and there is every prospect of prices being well maintained; still we feel certain that a strictly conservative policy is the best in your interests. In other words, that we should so build up the financial position of the Union as to make it, if not quite unassailable, at least well able to withstand any assaults that may be delivered against it. In this way we hope to assure you a steady reward in the near future for all your patience. . . . The allusion is made in the report to the formation of

THE NORTH-WESTERN SALT COMPANY, LTD.,

which I will now deal with. In these days of a Yellow Press, it is perhaps dangerous to speak of any business arrangement by the name of a combination, although it is notorious that all the leading trades and manufactures of the country, and including shipping, have been compelled to enter into various kinds of working arrangements in order to earn a living wage. By the establishment of the North-Western Salt Company, Ltd., we believe that we have arrived at a thoroughly sound and practical working scheme for regulating the tonnages and prices of the salt trade as a whole; for all the manufacturers and distributors have joined it with a few trifling exceptions. The North-Western Salt Company is a limited company, established for a period of five years. A nominal amount of capital has been subscribed, because little is required. The operation that it performs is very much of the nature of a great clearing house for all the members, who still preserve their individuality, and in selling the salt act as distributors for the company. The basis of tonnage is fixed for each member, and his actual amount will be regulated accordingly as the total tonnage dealt with increases or diminishes. In this it differs entirely from the former association, where the Salt Union guaranteed the tonnage for each member, and had to compensate him in cash if there was any shortage. Each firm has one director on the Board, save the Salt Union, which has two, one of whom must be the chairman, and, as many of you know, this arduous task has fallen upon my shoulders. The manager is the Salt Union's commercial manager, Mr. Clark, to whom

we are all much indebted for the successful way in which he accomplished the extremely difficult task of forming the North-Western Salt Company.

THE POLICY OF THE BOARD

of the North-Western Salt Company is to maintain a level of prices that will yield a fair profit to the manufacturer, but at the same time to meet competition—I want you to bear this carefully in mind—both at home and abroad, so that a full tonnage may be maintained. I believe that this pooling (so far as the marketing of the salt is concerned) of the interests of the whole trade will be a great boon to all, and not least to the Salt Union, whose share amounts to 72 per cent. of the total. At the same time you will understand that each member has full liberty to conduct his manufacture in the most efficient and economical way that he can do. Before leaving the commercial side of our business I wish to draw your attention to

OUR EAST INDIAN TRADE,

and especially as we were subject to some adverse criticism at the last annual meeting with regard to it. You will be glad to notice that the tonnage shipped to the East shows a satisfactory increase, the figures being : 191,000 tons for 1906, as against 169,000 for 1905. You will also be pleased to know that the Indian Government has just announced a reduction of duty to the extent of 18/- per ton. The duty now stands at 37/- per ton, as against about £5 per ton a few years ago. This is a great boon to the poor consumers and will certainly increase the amount consumed. The first results following this reduction are heavier sales and a rise of 2/- per ton in prices. . . . The gas producer plant has worked satisfactorily throughout the year, under the efficient control of Mr. Chadwick. We have increased our battery of round pans in combination with back pans, and we shall proceed still further on these lines, and also in the direction of remodelling our existing salt plant and warehouses at Weston Point, which, I believe, will result very advantageously to the Union.

THE VACUUM PANS

had only just been started at the date of our last meeting, and, since then, after some initial difficulties had been overcome, they have been worked continuously, barring temporary stoppages for alterations, &c. . . . Mr. Harold Rigby has been placed in charge of the working of the plant, with the assistance of Mr. Munton and Mr. Brooks, and under the supervision of Mr. John Rigby. With this management, not only have previous results been maintained, but they have been considerably exceeded. The salt produced is of beautiful and uniform quality, though in its present condition not suited for all classes of consumers. We have found, meanwhile, that it is highly appreciated in certain markets. We are on the point of putting up a drying plant, which will materially increase the value of the salt, and open out fresh channels of consumption. To sum up, we are quite satisfied that we adopted the right course in establishing the vacuum process of evapora-

tion, and I feel sure that very beneficial economical results will follow. Moreover, we shall not rest even on what we have so far accomplished, and in your interests must press forward, so that we may continue to be

IN THE FRONT RANK OF SALT PRODUCERS.

Our competitors abroad are moving fast in the same directions, and we cannot afford to let them get ahead of us, for it is only by means of the cheapest possible production, and through low, or moderate, freights, that we can hope to retain our hold of the foreign markets. There is one other important subject that I must touch upon before I sit down, and that is the

RELATIONSHIP OF THIS COMPANY TO MESSRS. BRUNNER, MOND AND COMPANY.

Our Chairman told you last year that the question of the mutually protective agreement then and now in force between our respective companies was under consideration; that is to say, we had to decide whether it was to our interests to denounce the agreement and free our lands for the erection of alkali works, using the ammonia-soda process, and at the same time to free Messrs. Brunner, Mond & Co. from the existing restriction as to their making and selling salt in competition with us. We were approached by several parties, who stated that they contemplated entering into the alkali manufacture, but those inquiries were not of such a nature as to justify our giving Messrs. Brunner, Mond & Co. notice to terminate the agreement. Nevertheless, it is still quite open for us to do so, should we deem that circumstances warrant it. I want you to bear that carefully in mind. Again, under the head of our relationship with Messrs. Brunner, Mond & Co. may be classed the

DISPUTED RIGHT TO CERTAIN BRINE SUPPLIES,

which have been the subject of private negotiations during the past two years, and more recently have been submitted to the decision of the Law Courts. Personally, I have always held that the matter at issue might well have been settled out of Court, if moderate counsels had prevailed, but, as you know, such a settlement was not arrived at, and the issue was therefore tried before the Lord Chief Justice, with the result that the verdict was given against us, though it was admitted that the facts upon which we based our claim were substantially correct. In other words, that Messrs. Brunner, Mond & Co. were found to have been extracting our brine and mineral, and yet that we could not legally prevent them from doing so. You will agree with me, I am sure, when I say that it is very hard upon the Salt Union to be thus deprived of its property, because, in the opinion of the Lord Chief Justice, there is no law in existence that will protect us. He, however, several times during the case alluded to himself as merely the "conduit pipe" to convey the facts, after he had ascertained them, to another tribunal. At least that is what he meant by calling himself a conduit pipe. If for no other reason, this would be a

JUSTIFICATION FOR OUR APPEALING,

in order that we may find out whether the Higher Court will venture to interpret the law differently, or create a precedent in such a way that it will

effectually protect our property. We therefore have appealed, and the case will, we hope, come on for hearing during the summer, and although the law is proverbially uncertain, we have good grounds for thinking that the verdict of the Lord Chief Justice will be reversed. Meanwhile, it is just possible that a settlement may be arrived at privately, and looking to the many and varied interests of the two great companies, and to the way in which those interests are intertwined, I should like to express the hope that such a settlement may yet be come to as will be perfectly equitable to both the parties concerned, and that, consequently, further expenditure of time, temper, and money over lawsuits may be avoided. Nevertheless, I want it to be clearly understood, that we shall not shrink from pursuing the matter to the final legal tribunal if we are unable by other means to protect what we look upon as our just rights. Gentlemen, I have endeavoured in what I have said to give you all the information in my power concerning the business and the position of the Union, and I am encouraged to say, after passing it all in review, that the Union is to-day in a sounder condition and has better prospects than probably at any time since its formation. I do not mean to imply that we have been able to remedy all the mistakes that were made at the beginning, far from it. The effects of some of them are still only too apparent, and may never be entirely got rid of, but I claim that we have begun to reap the fruits of the continuous and drastic economies in administration and manufacture that we have originated, and that this, coupled with the excellent selling arrangements entered into for a period of five years certain, justifies me in the sanguine view that I have ventured to express to you.

REPORT FOR 1907.

1. UNION'S TRADE IN 1907.—The quantity of salt delivered by the Company was 909,000 tons, as against 910,000 tons in 1906. The satisfactory increase in tonnage which was established last year has practically been maintained.

2. SALT UNION *v.* BRUNNER, MOND & CO., LTD.—It has not been necessary to proceed with the Appeal from the judgment of the Lord Chief Justice in this action, a friendly settlement having been effected by the sale of certain properties in the Northwich district. The contract has been sealed; but as the conveyance was not completed by 31st December, the transaction does not appear in the accounts now presented.

3. DIRECTORATE.—Mr. Charles Miller Crichton was appointed a director by your Board on 14th May last.

4. MAINTENANCE OF PLANT, &C.—The District Managers have certified that the respective works, plant in operation, craft, and rolling stock, in their several districts, have been maintained in good order. Depreciation has been written off craft at the same rate as in 1906, and the usual provision made for the replacement of rolling stock.

5. PROFIT AND LOSS ACCOUNT.—The net profit amounts to £127,075 9s. 7d., or, including the balance brought forward from 1906, to £128,349 14s. 7d. From this has to be deducted Debenture Interest for the year, £54,000, leaving an available balance £74,349 14 7

Your directors recommend that dividends be declared at the rate of 7% plus 2/- per share on the Preference Shares, amounting to £52,010 0 0

And at the rate of 1/- per share on the Ordinary Shares, amounting to 10,000 0 0

That there be placed to General Reserve 10,000 0 0

Leaving a balance to be carried forward of 2,349 14 7

£74,349 14 7

By Order of the Board,

H. BOWMAN,

Secretary.

COLONIAL HOUSE, LIVERPOOL,

3rd March, 1908.

NINETEENTH ANNUAL MEETING.

The Nineteenth Ordinary General Meeting of shareholders in the Salt Union, Ltd., was held on March 12th, 1908, at the Law Association Rooms, Cook Street, Liverpool. Mr. George Henry Cox, J.P. (Deputy-Chairman), presided.

THE CHAIRMAN'S SPEECH.

The Chairman : Before I proceed to the main business for which we are called together, I must read to you a letter I have received from Sir Thomas Royden : " I much regret that I am unable to attend the annual meeting of the Salt Union on Thursday next, the 12th inst. Will you kindly place my resignation as chairman of the Company before the meeting, as I feel the duties are too onerous. I congratulate the shareholders on the success of last year's trading, and the strong financial position the Company has now attained. My warmest thanks are due to the shareholders for the confidence and support they have always given me, and to my co-directors and the staff for their assistance so generously given, especially by the Deputy-Chairman, who took my duties upon himself during my late illness. I venture to hope that the Salt Union is entering upon a period of greater prosperity " I now have much pleasure in submitting and asking you to adopt the report and balance sheet, and in doing so I may say that it is a matter of gratification to your Board, and must be equally so to you all, that I am able to ask you to accept what is, perhaps, the most satisfactory report (all things considered) that has been presented to the shareholders of the Salt Union. When I addressed you last year I ventured to point out that we had just emerged from the great contest that had raged between the salt-makers throughout the country " stronger than we were before ; that there was every prospect of prices being maintained, and, that as a result of this and our conservative policy in finance, I hoped that your patience would be rewarded in the near future." It is a great satisfaction therefore to be in a position to declare that these prophecies have been amply fulfilled, and that without in any way departing from our strictly conservative policy as regards the building up of the reserves, both disclosed and undisclosed, reserves which are so necessary to the well-being of an industrial Company such as ours ; and to declare as a further fulfilment of those prophecies that we are able to offer you a dividend. The tonnage dealt with has been practically the same in amount as last year, nearly 909,000 tons, as against 910,000. To my mind this is one of the

MOST FAVOURABLE ITEMS IN THE REPORT,

because it shows that, while we have enjoyed a decidedly higher average of prices, they have not been fixed at such a level as to check consumption. It is true that we have benefited considerably by the exceptional demand

for fishery salt, but the utmost care has been taken to preserve every market both at home and abroad, and wherever there was outside competition, to meet it promptly. Summed up in a few words, the existing prosperity of the Union may be said to be the outcome of peace having been established between the salt manufacturers, and consequently of fairly remunerative prices having been obtained; of the drastic economies and improvements spread over the past few years in relation to our manufacture; of the very profitable working of our subsidiary companies and specialities; and last, but not least, of what I have already alluded to, namely, our strictly conservative finance.

SETTLEMENT WITH MESSRS. BRUNNER, MOND AND CO.

Before I go more in detail into the accounts I should like to refer to the settlement happily arrived at between Messrs. Brunner, Mond & Co. and ourselves. This has been reached, as briefly stated in the report, by the transfer on our part to Messrs. Brunner, Mond & Co. of, in all, about 350 acres of land and minerals. It is rather difficult to convey to you exactly what these acres consist of; I may describe them as in some cases land and minerals, in others surface without minerals, and again, minerals without surface, while a considerable part of this acreage is already covered by water. For this Messrs. Brunner, Mond & Co. have contracted to pay us £125,000, each side to pay its own law costs. These, as you can readily understand, will be very considerable, owing to the protracted litigation spread over a long period, and will necessarily reduce the before-mentioned sum to a certain extent. As stated, the amount does not come into our accounts for 1907, but will appear in due course in those of the current year. An extraordinary impression has got abroad, I understand, that we have used this money—which by the way we have not yet received—to enable us to pay the present dividend. Nothing could be further from our intentions or from the actual fact. This money when received must and will be treated as capital, and may be used for all legitimate capital expenditure. You will, therefore, recognise that the effect of the transaction has been to turn property that was, and was likely to remain, unproductive into a form in which it can be utilized for the general betterment of the concern. In this way the position of the Salt Union has been greatly strengthened, and a long-standing dispute with our neighbours satisfactorily ended. I may further state that we have still remaining an almost unlimited supply of brine and rock salt, so that your minds may be at rest as regards our own requirements in the future. Gentlemen, I feel a special satisfaction in finding myself to-day in a position to make this statement and explanation, for the negotiations have occupied several years, and have involved a great deal of thought, anxiety and labour on the part of all those who were engaged in them. May I express the hope that in future the two great companies, whose interests are so closely allied, may work together for their mutual benefit and protection in a perfectly friendly and cordial manner.

AN INTERESTING COMPARISON.

I cannot resist recalling for a moment the very different position of the Union when I and some of my colleagues joined the Board ten years ago. Then, it is true, there was a reserve fund shown in the accounts of £117,000, but it had been principally locked up in land and it was not available for practical purposes. The net revenue fell short of the debenture interest by £21,000; and the Chairman and I had to seek an early interview with our banker, who thereupon granted us an overdraft of £50,000 to enable us to carry on your concern. Now, as I have said, we have liquid assets to the tune of £205,000; over and above all this we have installed our two great process plants at a cost of over £100,000, the whole of which have been paid for by provisions set aside, from time to time, out of revenue. In conclusion, I think that while the results of the past year are very satisfactory, we may look to the working of the current year with confidence. It is true—for I wish to be perfectly frank with you—that of late there have been some

THREATENED OUTSIDE DEVELOPMENTS

in salt production, but we hope that the prompt action recently taken by the North-Western Salt Company will be the means of checking them. The price for fine salt for inland, always by far the most profitable description to produce, has been reduced by 5s. per ton, and I feel sure that this will give pause to anybody who may have contemplated new developments. I have now much pleasure in moving: "That the report of the directors with statement of accounts for the year ended 31st December, 1907, and balance sheet as at that date now submitted, be received and adopted."

The Chairman then put the resolution to the meeting, and it was carried unanimously.

DIVIDENDS.

The Chairman: I now have to move: "That dividends for the year ended 31st December, 1907, at the rate of 7 per cent, plus 2/- per share on the preference shares and 1/- per share on the ordinary shares respectively, be hereby declared, to be paid, less income tax, on and after the 4th day of April next."

Mr. Alexander: I have much pleasure in seconding that.

This resolution was adopted unanimously.

REPORT FOR 1908.

1. UNION'S TRADE IN 1908.—In the great wave of depression which has passed over this and all other countries, the salt trade has participated, and the quantity of salt delivered by the Union has been only 781,000 tons, as against 909,000 tons in 1907. The decline has been most marked in the demand for chemical salt, whilst exports have been seriously curtailed.

2. BALANCE SHEET.—The large decrease in the first item on the credit side of the balance sheet is mainly accounted for by the sale of properties to Messrs. Brunner, Mond & Co., Ltd. The proceeds have been invested in first-class securities, including the purchase of a further £24,000 of the Company's Debenture Stocks. The financial position of the Company has been materially strengthened by the steady building up of available reserves of capital.

3. MAINTENANCE OF PLANT, &C.—The District Managers have certified that the respective works, plant in operation, craft, and rolling stock, in their several districts, have been maintained in good order. Depreciation has been written off craft at the same rate as in 1907, and the usual provision made for the replacement of rolling stock.

4. PROFIT AND LOSS ACCOUNT.—The net profit amounts to £103,798 18s. 7d., or, including the balance brought forward from 1907, to £106,148 13s. 2d. From this has to be deducted Debenture Interest for the year, £54,000, leaving an available balance £52,148 13 2

Your directors recommend that a dividend be declared at the rate of 6/- per share on the Preference Shares, amounting to £30,000 0 0

That there be placed to General Reserve 20,000 0 0

Leaving a balance to be carried forward of 2,148 13 2

£52,148 13 2

The dividend will be payable on 5th April to shareholders registered on 13th March.

By Order of the Board,

H. BOWMAN,

Secretary.

COLONIAL HOUSE, LIVERPOOL,

15th March, 1909.

TWENTIETH ANNUAL MEETING.

The Twentieth Ordinary General Meeting of shareholders in the Salt Union, Limited, was held in the Large Hall of the Exchange Station Hotel, Liverpool, on March 24th, 1909. Mr. George Henry Cox, Chairman of the Company, presided.

CHAIRMAN'S ADDRESS.

The Chairman : Gentlemen, in moving the adoption of the report and balance sheet, I naturally regret, for your sakes as well as my own, that the results for the year 1908 are not so satisfactory as those for 1907. Our trade has suffered in common with all the other industries of this and other countries, from the effects of the great financial crisis that occurred in the United States in the autumn of 1907. You will have noticed in the report that our tonnage has fallen off to the large extent of 132,000 tons, the actual tonnages being as follows for the past five years : 1908, 781,000 tons ; 1907, 909,000 tons ; 1906, 910,000 tons ; 1905, 861,000 tons ; 1904, 890,000 tons.

I do not for a moment wish to minimize the gravity of the position disclosed by these figures, because a lessened production means a higher cost per ton all round, an aggravation of the distress among our salt makers, and both directly and indirectly a reduced earning capacity. I am satisfied, nevertheless, that I shall be able to show you that this loss of tonnage has been quite beyond our control, while I may also say that it has been common to other members of the trade. It has chiefly arisen from the following causes : The falling off in demand

FOR CHEMICAL AND OTHER COMMON SALT,

due to the general trade depression ; to the fact that one large firm of chemical manufacturers has used a much larger proportion than formerly of salt produced at their own works ; that another manufacturing company has supplied itself for the first time from salt works recently started by it. Quite apart, therefore, from the shrinkage throughout the trade generally, these two instances (where manufacturers have used their own salt) account for a loss of tonnage of fully 33,000 tons. I may say that the total loss of tonnage for chemical purposes amounts to 59,000 tons. Another source of heavy decline has been the smaller shipments to the East, amounting to 30,000 tons, and concerning which I propose to speak more in detail a little later on. Moreover, material reductions have occurred in shipments to the U.S.A. and Australia, the latter being attributable to the great increase of duty imposed on imported salt by our Colonial brethren, thereby showing how very little people are influenced in these matters by ties of kinship.

There has also been a

CONSIDERABLE FALLING OFF IN FISHERY SALT,

but as it compares with an abnormal amount taken the previous season, owing to the record catches of fish which then took place, this reduction is

not a cause for anxiety. In connection with the loss in chemical and common salt it is well to remember that the margin of profit is usually a small one; and especially so in the case of the East Indian shipments. Much the most valuable trade is the fine salt for inland consumption, and you will be glad to learn that in this description our tonnage has been fully maintained. The net profits of the year have fallen off to the extent of £23,277, which, when you consider the serious decline in tonnage, and the reduced price of fine salt (namely, 5/- per ton, mentioned to you at last year's meeting), coupled with the high cost of coal and materials, it is a matter for congratulation that the difference is represented by such a comparatively small sum.

In relation to this I may say that the North-Western Salt Co., which regulates prices, has worked effectually. It has carefully considered the circumstances attending the trade at home and abroad, and has from time to time arranged prices accordingly, so that you may rest assured that no markets have been lost by an attempt to exact too high prices, and I think that is an important matter for you to remember. On the contrary, especially low ones have been agreed to in several instances where there was a prospect of opening out fresh channels of trade, or retaining old ones in the face of competition.

Beyond what I have already mentioned in connection with the Chemical Company, there has been no fresh development as regards production in this country.

Unfortunately, this development by the said Company has not been confined to the making of salt for its own use in the manufacture of chemicals. The salt works are capable of putting a further 20,000 to 25,000 tons of common and fine salt upon the market for general consumption. So far the firm referred to is trying to sell in competition with us, and prices are being cut to meet it. At the same time overtures have been made to work through the North-Western Salt Co., but up to now without success. On the other hand opposition threatened from Barrow has been settled. It is a matter of common knowledge that the International Salt Company has been floated with a view to working, among other things, the Tee process of fusing rock salt. I am not aware that they have yet fixed upon a location for their works, but we do not in any case anticipate serious competition from fused salt. With regard to further possible development in salt making, I should like to take the present opportunity of referring to an important matter that has formed the subject of

SERIOUS DEBATE IN THE WINSFORD URBAN DISTRICT COUNCIL,

and about which strong opinions are also held in other salt districts. The Salt Union is blamed for cutting up old pans that will never be required again, and thereby escaping rates which, rightly or wrongly, are levied on salt works on the basis of pannage. Let me say the Salt Union has no desire to shirk its fair proportion of the rates of the district. It is bound to pay them, apart from the manner in which they may be levied. But a much

wider question was opened by some speakers, namely, concerning the large quantity of land held by the Salt Union, which is not now used for salt making or other purposes. Much of this land is leasehold, and I can only congratulate the fortunate landlords upon having such an excellent and accommodating tenant as the Salt Union, in view of the terrible decline that has taken place in the salt trade generally since the leases were entered into. No one laments more than the Salt Union does the heavy burden thus imposed upon it by its surplus land, both leasehold and freehold. When and where it can properly do so it welcomes any opportunity of being relieved of a part of it (*vide* our recent sale to Messrs. Brunner, Mond & Co.) I and my Board have taken active steps of late, by advertisement and otherwise, to make known to the public our

DESIRE TO PART WITH SURPLUS LANDS,

but in self-defence we are obliged to bar salt making for sale. In the present state of the trade, when only a limited and even declining quantity can be marketed, it would be folly to encourage further production. I regret to say that the leaders of the working men think that they would benefit if more salt works were opened. Perhaps they might, for a short period, but the competition thus engendered would inevitably result in a ruinous range of selling prices and the closing of many works, combined with a lowering of wages and a less number of men being ultimately required. Meanwhile, both you and they may be sure that we shall spare no effort to dispose of property in all our districts when we can do so, with advantage to all concerned; and that we should particularly welcome the establishment of new industries that would absorb the large reserve of labour now existing. To return for a moment to

THE NET PROFITS.

Their comparative stability in the face of such a large shrinkage of the salt trade may be attributed to several factors, to which I also alluded last year; namely, our recently established economies in production and management, and the profitable nature of our subsidiary companies and specialities. These are matters for unmixed satisfaction, and I hope and expect that they will become even more marked in the future than they have been in the past. It is perhaps not desirable that I should say more in your own best interests concerning economic methods of production, beyond this—that we believe we are on right lines and that we mean to pursue them vigorously. This is a progressive age and the pace is a very fast one. Salt production cannot afford to stand still any more than other great industries can do so. Your Board is fully alive to the necessity of abandoning the old “rule of thumb” ways of working and of making use of the very best brains obtainable, together with the latest scientific knowledge and appliances. To this end we have strengthened our technical staff by the addition of Mr. G. W. Malcolm, who acts as our chief engineer, and who already fulfils our well-founded expectations of his capacity and energy. Now I promised to refer more in detail to our Indian trade.

OUR EAST INDIAN TRADE

has been subjected to a combination of adverse influences, resulting in a diminution of tonnage and profits. A period of depression in freights is usually advantageous to our export trade, but in the present instance it has not proved so. As you know, we are largely dependent upon cheap ballast freights by the liners trading to the East. This shipment of salt is a mutual benefit shared by both ship and shippers. The room they had at our disposal last year was comparatively limited, because there was no inducement to send more steamers out than were absolutely necessary, in consequence of the low rates of freight homewards. At the same time our greatest competitors, the makers and shippers of Solar salt, have, owing to the state of the freight market, been able to make cheaper charters than they have ever done before; and in the case of the Spaniards, have been able to ship larger quantities. Prices fluctuated considerably during the year in Calcutta and were fairly satisfactory on the whole, but in the last quarter of last and the first of the current year, they have ruled low and are likely to continue to do so. I ought not to omit recording the fact that our trade has been much hampered by the Swadeshi movement, which, however, shows signs of abating. We shall continue to do all that we possibly can to maintain and extend our Eastern trade, and with this object Mr. Coltart has recently spent several months out there, and we hope some good will result from his labours.

It will be manifest to you that in regard to this trade and, in fact, to our export trade throughout the world, the cost of production of the salt plus the cost of putting it free on board the steamer, is a very important factor in the business. This has become more than ever so owing to the development of late years of Solar salt and its great improvement in quality; and also because of the excess of shipping tonnage causing low freights, and the consequent willingness on the part of the owners to take cargoes from ports that in former times they refused to visit save at high rates. This used to be a great obstacle, which in these days of depression in trade has disappeared. We are earnestly engaged in combating these influences, and as regards actual cost of production we have not much anxiety on that score. But when it comes to the cost of putting free on board it is another matter. Owing to the splendid service of steamers sailing from Liverpool, shipments must for the most part be made from there, while unfortunately the salt costs a great deal to bring from Winsford and Northwich, which are situated a good many miles from the seaboard. A considerable part of this cost arises from the

HIGH DUES CHARGED BY THE WEAVER NAVIGATION

and the Mersey Docks and Harbour Board, namely, 10d. and 3d. per ton respectively (together 1s. 1d. per ton)—I want you to mark this—which is fully 20 per cent. on the cost of the salt. This is a tremendous handicap upon our export trade when added to the cost of barging, &c., and especially when we have to compete with salt produced on the sea-board in many other parts of the world.

We have striven to obtain a reduction of these excessive dues, but while the Mersey Docks and Harbour Board has expressed its willingness to meet our wishes to a moderate extent on certain conditions, the Weaver Navigation has not so far seen its way to do so. I am afraid that the high cost of inland transit in the United Kingdom, as compared with that in other countries, is a serious menace to many export trades besides that of salt.

The following table showing the

NET PROFIT EARNED FOR THE PAST FIVE YEARS

will be of interest :—

							£
1908	..	..	..	..	..	..	103,798
1907	..	..	..	..	..	..	127,075
1906	..	..	..	..	..	..	70,104
1905	..	..	..	..	..	..	68,399
1904	..	..	..	..	..	..	87,022

While we all naturally regret that 1908 should show a reduction compared with 1907, it is well to remember that it is much better than the three preceding years. I feel sure that you

WILL CONFIRM THE CONSERVATIVE MANNER

in which we recommend that the profits of the year shall be dealt with. I want you to pay special attention to this, gentlemen. In view of the great changes that are now taking place, both in the production and distribution of salt, I think it is of the utmost importance that we should retain ample reserves in order that we may be in a position to meet any demands that will certainly be made upon us in the near future. In conclusion, it is true that the symptoms of a general recovery in trade throughout the world are not yet very pronounced. Nevertheless, I think it is safe to assume that, barring an outbreak of war, we shall witness a gradual improvement in which our particular branch will no doubt participate. We start from a low level and have the special advantage of being able to purchase our coal and other materials at a much less price than we have done for the past two years, and this, coupled with our untiring efforts to produce and distribute our salt economically, should enable us to look forward hopefully to the results of the current year.

IRISH OPINION.

Mr. William Milliken : I am sorry I cannot congratulate you upon the results of the year's trading, for you, as chairman, have on more than one occasion told us that with general trade bad, as it undoubtedly was last year, it was good for salt. Those words of yours have stuck in my memory. The falling off in tonnage by 128,000 tons is really alarming, and admitting the reduction in our exports to India by many thousand tons a month—unprofitable business, no doubt—and the smaller demand for chemical salt, yet we are face to face with the tapping of our home trade by, say, 50,000 tons : 30,000 odd you have explained. This situation does not impress us with a

feeling of confidence, and we cannot but think it is partly due to want of good management. Those whom I represent still believe in the recommendations I have made here from time to time, with the view to improving the management, which, so far, the Board has been unwilling to adopt. Those whom I represent, after very careful consideration, want the Board strengthened. They also think it is too local; the members are too much in contact with each other in this particular business and in other businesses; and I think it has a tendency to produce echoes rather than deliberate voices.

In replying to a series of questions put to him by Dr. McDougall, the Chairman said: Well, gentlemen, first of all we will go backwards. As regards administration I can assure Dr. McDougall that this matter has had the earnest attention of our Board; but the difficulties of the trade are such that we have been compelled to increase in many cases the staff in order to try and maintain the trade, which we all regret has fallen off as regards tonnage. I can assure you that not a sixpence is spent that can be avoided. . . . Now with regard to the Mond gas plant, I don't think it is to your interest that we should expose here to-day the exact results of that installation. It is open to any of you to come and see for yourselves; and we shall be very glad to show you. . . With regard to the cost of the coal, it has to be a special coal; it is not the ordinary rubbish we burn under the ordinary pans; but I can assure Dr. McDougall that the extra cost is more than compensated for by the ammonia we get out of it. With regard to the vacuum plant, I do not think it is desirable for me to say more than I have already said. I will repeat it. I said this: "It is, perhaps, not desirable that I should say more in your own best interest concerning economic methods of production, beyond this—that we believe we are on right lines and that we mean to pursue them vigorously. This is a progressive age, and the pace is a very fast one. Salt production cannot afford to stand still any more than other great industries can do so."

The Chairman then put the resolution to the meeting and declared it carried *nem. con.*

PAYMENT OF DIVIDEND.

The Chairman next proposed the payment of a dividend of 6/- per share on the preference shares, less income tax, on and after the 5th April.

The resolution was carried.

TWENTY-FIRST ANNUAL MEETING.

The Twenty-first Ordinary General Meeting of the shareholders in the Salt Union, Limited, was held in the Large Hall, Exchange Station Hotel, Liverpool, on March 22nd, 1910. Mr. George Henry Cox, J.P., Chairman of the Company, presided.

The report was as follows :—

1. **UNION'S TRADE IN 1909.**—The quantity of salt delivered by the Union has been 774,000 tons as against 781,000 in 1908. There has been a further shrinkage in the quantity taken for chemical purposes, and owing to the bad fishing season a smaller demand for fish curing. Total exports have been better as regards tonnage, but owing to reckless foreign competition the price realized in the large Eastern markets has been very low.

2. **NEW PLANT.**—After careful investigation, your directors have determined that competition can best be met by erecting works of the most modern type adjacent to the seaboard, and calculated to turn out 150,000 tons per annum. A suitable site has been secured at Weston Point on the Manchester Ship Canal near the present works, specially adapted for loading large steamers with despatch. The plant, which is now in process of erection, and which is expected to be completed this year, is of the multiple vacuum type, the economic working of which has been abundantly proved. In conjunction with the salt producing plant an electrical installation will be established.

In connection with the existing vacuum plant at Winsford, the technical staff has happily invented a cheap process for the purification of the brine, which has been patented. This has already added largely to the efficiency of the plant, and also yields a supply of pure salt, for which there is a growing demand. An electrical installation is being added to this plant also for the purpose of supplying power and light to the whole of the Winsford Works, thus effecting large economies in the cost of driving the pumps, mills and other machinery.

The capital expenditure of the above works is being met out of the proceeds of the recent sale of surplus lands, forming a satisfactory reinvestment.

3. **MAINTENANCE OF PLANT, &c.**—The District Managers have certified that the respective works, plant in operation, craft and rolling stock in their several districts have been maintained in good order. Ample depreciation has been written off craft and rolling stock.

4. **PROFIT AND LOSS ACCOUNT.**—The net profit amounts to £100,438 8s. 8d., or, including the balance brought forward from 1908, to £102,587 1s. 10d. From this has to be deducted Debenture Interest for the year, £54,000, leaving an available balance £48,587 1 10

Your directors recommend that a dividend be declared at the rate of 5/- per share on the Preference Shares, amounting to	25,000	0	0
That there be placed to General Reserve	20,000	0	0
Leaving a balance to be carried forward of	3,587	1	10

£48,587 1 10

THE CHAIRMAN'S ADDRESS.

The Chairman said : In moving the adoption of the report and balance sheet for the year ending 31st December, 1909, I am glad to point out that the net profits do not materially differ from those earned in 1908. They would have been larger had it not been for circumstances in connection with our Eastern trade, that I shall allude to later on. If you bear in mind that this profit (and remember it is a net profit after all the charges have been deducted) of £100,438 8s. 8d., has been realised upon a turnover of 774,000 tons, a simple sum in arithmetic will demonstrate to you that

THE PROFIT IS A VERY HANDSOME ONE

per ton of salt dealt with, in fact I am going so far as to say it is a dangerous profit. You may naturally say "that is all very fine, so long as we shareholders get poor returns upon our capital." That unfortunate state of things I need not remind you is due to the original sin of over-capitalization, for which the present Board is in no way responsible, and I should like to impress upon you as much as I can this question of over capitalization, especially on those disappointed shareholders who, year by year, annually cry out that they are getting no dividend upon their ordinary shares ; and also to the lessened demand for the article which the Company produces, for which changes in the chemical industries are the chief cause. Reverting again to the above results, the main factors that have conduced to bring them about are—the reduction in the cost of fuel, the continued prosperity of our subsidiary companies and specialities, combined with the economies effected in cost of production, &c. These have, fortunately, counter-balanced to a large extent on the one hand the average reduction in prices of salt that has taken place, and on the other the adverse returns from the shipments to India. I don't think there is anything requiring special notice on my part in the balance sheet, but I shall be glad to answer questions that may subsequently be asked with regard to it. What will be of more interest and value is a statement with regard to the general financial position of the Company, which I shall ask our Accountant, Mr. Showell, to read to you. You may remember that five years ago he furnished you with one, and by our instructions he has now brought it up-to-date. I think, after hearing it, our most captious critics will be bound to admit that the position disclosed is a remarkable one, showing as it does a recovery from a practically moribund condition to that of a sound and healthy life, which has moreover been attained in spite of what appeared at one time to be almost overwhelming obstacles.

THE COMPANY'S FINANCIAL POSITION.

Mr. Showell then read the following statement of the financial position, as at 31st December, 1909 : " In 1898 the financial position was a very weak one, there being a great deficiency of working capital. There was a nominal reserve fund of £117,500, but even that had to be drawn upon to make up the deficit in the debenture interest for that year. The remainder of the reserve,

which was entirely invested in the business, had to be swept away in connection with the capital reduction scheme in 1902. That scheme was merely one for writing down the book value of the assets on the one side and the nominal value of the two classes of shares on the other, no real advantage to the Company accruing, apart from enabling dividends to be paid, which, until the loss on capital account was adjusted, could not be done. The scheme did not in any way improve the financial position, either by the provision of working capital, or by the modification of the very onerous dead charges for debenture interest, rents, and other obligations. It has, therefore, been necessary to gradually build up the finances, and during the past eight years a very different complexion has been put upon the financial position. There have been set aside out of revenue each year sums, which in the aggregate, including the sum of £20,000 proposed to be allocated from 1909 accounts, bring the general reserve up to £100,000 and depreciation reserve to £50,000. So far as steamers, barges and rolling stock are concerned, the policy adopted in 1902, after the adjustment of capital, has been continued. During the period the sum of £51,000 has been written off the former, whilst a sum of £43,000 has been set aside to provide new rolling stock, and for the reconstruction of existing stock to comply with the standard specification of the Board of Trade. These amounts are in addition to the cost of the ordinary up-keep of the working stock at a high standard of efficiency. The following is a summary of the reserves and provisions which have been made out of revenue since 1898 :—

	£
General Reserve	100,000
Depreciation Reserve	50,000
Insurance Funds	10,700
Depreciation of Craft	51,000
Rolling Stock Replacement	43,000
Sundry other provisions	3,300
	<hr/> £258,000
Of this sum there has been expended upon additions to and heavy renewals of craft and wagons referred to above (say) ..	38,000
	<hr/>
Leaving a balance of	220,000
Whilst the expenditure upon new works (including the gas plant and Winsford vacuum plant), freehold properties and other additions and extensions during the period has been	138,000
	<hr/>
Leaving a balance out of revenue of	82,000
To this sum has to be added the proceeds of the realization of property	115,000
	<hr/>
Leaving a net sum available of	£197,000

In addition to the improvement in the investments and cash the contrast between 1898 and the present account is striking as regards the amounts owing to and by the Company. In 1898 the debts owing by the Company exceeded the debts owing to the Company by £15,700, whereas now the position is reversed, and the debts owing to the Company exceed the amount of our indebtedness by £31,500, or an improvement of £47,200. During the twelve years we have paid the shareholders dividends amounting to £232,000.

THE CHAIRMAN CONTINUES HIS SPEECH.

The Chairman, resuming, said : Tonnage shows again a slight shrinkage but only a trifling one, the figures being for 1909, 774,000, as against 781,000 for 1908. . . . Taking all things into account, and remembering that during 1909 we were only slowly emerging from the great depression in trade caused by the United States financial panic of 1907, I consider that the year's trading, so far as the tonnage is concerned, is satisfactory. . . . I referred last year to the formation of the International Salt Co., stating that it had not then fixed a location for its operations. You will be interested to learn that it has acquired a salt property near Carrickfergus, in Ireland, and has erected works on the principle of the Tee process of fusing rock salt, which it is said will be capable of turning out 1,500 tons per week of white salt. It was confidently expected that some of the salt would be produced last November, but none has yet made its appearance. When it is forthcoming the effort to market it will doubtless have

A DISTURBING EFFECT UPON VALUES,

but your directors do not alter their minds with regard to the practicability of the scheme generally, and this seems to be confirmed by the constantly delayed advent of the salt itself upon the market. The chemical firm that I also mentioned, namely, Messrs. Chance & Hunt, of Stafford, as having begun the production of salt for their own use, and also for sale, have continued to work outside the North-Western Salt Co., in spite of mutual efforts made to arrange terms. Consequently their opposition has had to be met by smart reductions in prices, for we have been determined to maintain our inland trade, which we have succeeded in doing. I have alluded to these two concerns (and there are some others), who are working quite outside the North-Western Salt Co., in order that you may understand the actual position of the salt trade as a whole at the present time. In this relation it is necessary to realise that the North-Western Salt Co. itself terminates on the 31st December, 1911, but it is manifest that a decision will have to be arrived at among its members during the current year as to whether it is to break up on the above date or to be extended, either on its present or some other basis, for a further period of years. There can be only one opinion as to what would be the best course for those interested, that is to say, if their object is to make money ! Salt is an article the supply of which can always be made to largely exceed the demand in the course of even a few months, and as in the case of many staple products, profit for the producer is well

nigh impossible without some selling arrangement being established with competitors. The question for each to weigh is as to whether it is not better to agree to join in such an arrangement now, even though some may think they are entitled to a larger share than can be granted to them, rather than engage in a scramble for whatever tonnage they may thereby secure, but at prices which cannot leave a profit for anybody. Should the scramble be entered upon it will continue until all the producers have succeeded in losing a great deal of money, and it will undoubtedly be the most severe ordeal that the trade has ever gone through. When all are more or less exhausted, and some perhaps defunct, an effort will doubtless be made to bring about a settlement, relative tonnages will be agreed upon and prices fixed at remunerative levels. But surely the wiser course would be to enter into such an understanding before large sums of money have been lost, rather than afterwards. I need not say that your Board has always favoured this latter course, and it will work to that end in the future, while properly safeguarding its interests. The Salt Union must necessarily claim a very

FULL SHARE OF THE TOTAL TRADE,

to which its enterprise and its exceptional cheapness of production entitle it; but while that is so, it is prepared to consider perhaps somewhat less favourable terms than it otherwise would do, if it can thereby secure an adequate profit for itself and peace throughout the trade. I am certain that this is the sound business way to approach the problem. Nevertheless I know that we shall have to encounter many among the smaller makers who will find it difficult to take a large or a long view of the situation, whose not unnatural ambition it is to get a greater share of the trade than they have hitherto enjoyed, and who think they may accomplish this in the event of a general struggle; I would, however, warn these gentlemen that they are reckoning without their host, and that even if they succeeded it could only be after suffering much loss, which it would take them years of good trade to recoup, and in the end they would be no better off than they are to-day. Moreover, I would have our shareholders, and all interested in the welfare of the trade, remember that if an arrangement is come to for the future it must be with the object not only of benefiting it by a remunerative level of prices, but also, at times, of safeguarding it, by fixing a low level; in other words, that the policy adopted must be one to secure moderate profits and to discourage the advent of fresh sources of production. Finally, I wish you to understand that whatever course may be decided upon, the Salt Union is fully prepared for any contingency that may arise. . . .

THE TRADE WITH INDIA.

I promised to say something more about our Indian trade, and while I desire to make you as fully acquainted with the position as I can, you will recognise that under all the circumstances it is a difficult and delicate task, for our competitors will naturally take advantage, if possible, of what I may state. The position is the opposite of that which obtains at present in other

directions, for as regards the East, we are engaged in the most severe struggle that has ever taken place, in order to maintain the position that we have hitherto held. Much misapprehension is prevalent concerning the actual facts. It is thought that the Spanish shippers are the only serious competitors, but there are others, viz., Port Said, Germany, and several Red Sea ports. In the past we managed to market our salt at remunerative rates, but the addition of the Spanish salt (which for a time was recklessly poured into Calcutta and other markets), coming as it did into competition with the other salts mentioned, and causing an over-stocked market, resulted in a drop in prices to an unprecedented level. This caused the Spaniards to restrict their shipments, and they and the other shippers succeeded in raising prices about ten rupees from the bottom. When, however, large sales out of stock were again attempted, prices at once relapsed. Subsequently a recovery took place, but prices may even now be said to be 15 to 20 rupees below the normal average of recent years. We have throughout continued to supply the demand at current rates. Fortunately for us we established our vacuum plants and gas-fired plants in the nick of time—I want you to take special note of that and what follows—and we have been further liberally met as regards freights by the leading steamship companies. I do not hesitate to say that if it had not been for these advantages our trade would have ceased. As it is, we have undoubtedly been called upon to make some sacrifices, but we consider they are of a temporary character, and that it is worth while incurring them meanwhile in order to establish our position in the future. I may tell you that we have already had intimations from several of our competitors to the effect that they are prepared to consider some working agreement. It is evident that there can be little or no profit for anybody without such an arrangement as will regulate the shipments and prices; and we are not averse to consider one, provided it is based on fair and equitable lines, but we shall not abandon the fight until we are assured of

A SATISFACTORY SHARE OF THE TRADE.

It is necessary in estimating the future to bear in mind also that the Spaniards have had exceptional advantages during the past two years. First, in that our British salt was boycotted owing to the Swadeshi movement. This was the outcome of the Partition of Bengal, which serves to illustrate how careful the rulers of India require to be if proper feelings on the part of the governed are to be maintained, together with satisfactory trade relationships. Second, in the unprecedentedly low freights at which they have been able to charter tramp steamers, the position of which has, however, already been materially altered to their advantage. I should say to-day they may have to pay about 2/- a ton more than they did at the bottom of the freight market.

THE WESTON POINT WORKS.

This leads me to speak of the very important new departure which we have felt compelled to make in choosing a site on the Manchester Ship Canal for the erection of our second vacuum plant installation. Before going into

particulars I think the time has come when I may safely declare for your information, and despite the fact that our competitors will also be made aware of it, that our experience of the working of the vacuum process has more than fulfilled our expectations, and that it is capable of great developments, leading to further economies in working and to the establishment of other industries. One of these developments has been accomplished during the past few weeks, when we have succeeded, at small expense, in purifying our brine, with the result that we obtain a practically pure salt (analysis shows 99·80 per cent. of sodium chloride), and at the same time enable the vacuum plant at Winsford to increase its total output by about 25 per cent. in a given time. We have arranged that there shall be samples of this pure salt in small boxes at the door, and anyone who likes to take a sample is welcome to do so, and we should be glad if they would also show it to their friends. Besides the brine purification, we are engaged in connection with the Winsford vacuum plant, in turning our high pressure steam to profitable account in the production of electricity. This we propose to utilize by applying it to all our machinery, pumps, &c., throughout the Winsford area, thereby doing away with our numerous steam boilers, &c., and consequently effecting many economies. What is particularly noteworthy is that after providing what is of great importance for ourselves we shall have a surplus to sell, which I hope and believe will be the means of helping and developing other industries in the neighbourhood, thereby enabling us to get rid of our unused property, and at the same time utilizing the superabundant labour which exists throughout the district. I may say in parenthesis that there are already one or two matters on the tapis in connection with the utilization of electricity at Winsford.

Referring again to the second installation of vacuum pans at Weston Point, we secured on favourable terms a piece of land on the Manchester Ship Canal, closely adjoining our other property, and admirably situated for shipment into large or small vessels, and having at the same time ample rail accommodation. The Manchester Ship Canal Co. have throughout met us in a liberal and businesslike spirit, which I cannot help contrasting with the treatment received from other public bodies. They have agreed to dredge the canal and have built a fine sea wall so as to facilitate shipments. I have no hesitation, therefore, in saying that we shall be able to make and ship salt from there much cheaper than we can do from our inland works. This will enable us to compete successfully with our Solar salt rivals, together with the other salt producing centres situated on the seaboard of the United Kingdom. I believe that in this way we shall not only maintain our existing export trade, but materially extend it, and I am fully confident we will be able to gain a new trade altogether from this centre. As many of you know, the brine is already laid on in pipes from Northwich, and a portion of it has been used during the past thirty years for salt-making by ourselves, while Castner-Kellner & Co. purchase a quantity from us for their chemical works. The utilization of brine, therefore, at Weston Point is no new departure, and I entirely fail to see upon what grounds

THE BUSYBODIES IN CENTRAL CHESHIRE

base their objections to it being so utilized. If we are to uphold our position and command the export and coastwise trade, the salt must be made and manufactured on the seaboard. One of the marked features of the salt trade during the last twenty-five years has been the growth of the producing centres on the coast of England and Ireland, such as Middlesbrough, Fleetwood, Barrow, Isle of Man, Carrickfergus, &c., whose output now amounts to over half a million tons per annum.

This installation at Weston Point will have a capacity of 150 to 200,000 tons per annum. It will also have the adjuncts that I have mentioned in relation to the Winsford plant. The high pressure steam will be converted into electricity, which in turn will be utilized for the making of chemicals for our brine purification, and the by-product from which (bleaching powder) will be sold. All the engines and machinery in connection with the vacuum plant and the existing Mond gas producer plant will also be worked by electricity. We shall, moreover, have a large surplus to dispose of, and we have taken steps to obtain provisional orders to enable us to supply Widnes and the Runcorn Rural and Urban Districts with power or light.

We believe there is a great field for the profitable use of electrical power and light in these two areas, and we have already had many inquiries from those desirous of obtaining it. It must be common knowledge to many of you that there is a rapid advance taking place in the utilization of electricity where it can be obtained on moderate terms. I know of districts where factories and industries are springing up like mushrooms because of this vitalizing energy of electricity.

You will naturally want to know what all these developments will cost, and I shall therefore proceed to tell you. The estimates at present amount to £115,000, and this will be provided out of the proceeds of our recent sale of brine lands and other property to Messrs. Brunner, Mond & Co. This money could only be used as capital, and not a penny of it could be distributed. Consequently we are reinvesting it in the business in the shape of up-to-date plant, and we feel confident that it will prove to be an excellent investment. When all is completed I do not hesitate to assert that the Salt Union will possess

THE BEST EQUIPPED SALT WORKS IN EUROPE,

and I think I may add, in the world.

Mr. Cooke: The Chairman made a remark about the busybodies of Cheshire, and referred to what is called the Marbury brine pipe, and as I have been associated with that part of the country for a great number of years I thought it rather desirable that the shareholders should know why the Salt Union stands in a different attitude to-day to what it has ever done at any previous meeting. Up to the present the Salt Union has had the sympathy of the four local authorities of Northwich, Middlewich, Sandbach and Winsford because the bulk of the labour has been employed in those districts and they had to put up with the damage from the subsidence. There is not

a single Railway or Canal Act which goes through the salt district that does not contain a clause that brine shall not be taken in a pipe, showing that our forefathers looked on brine as the only mineral which would run in a pipe. The Chairman rightly said some years ago salt was taken down to Weston by the Mersey Brine Co., but in such small quantities and with such few facilities that really it was not worth while bothering about.

Dr. McDougall: I rise to a point of order. I don't think all this is to the advantage of the shareholders. We meet as shareholders, and notwithstanding my great and profound respect for Mr. Cooke I think we ought to limit discussion of this description.

The Chairman: With reference to what Dr. McDougall says I would like to make an appeal to Mr. Cooke. We have gone into this matter thoroughly and we have taken two or three years to consider it. We believe we are perfectly right in what we are doing and that it is for your interests. I will go further than that and say that what Mr. Cooke is saying now will be known to the public generally and to our competitors through the medium of the Press, and with those who do not understand the matter it is calculated to do your Company a very great deal of harm, and I therefore call upon Mr. Cooke to cease pursuing the subject.

The proposition was then put and carried.

TWENTY-SECOND ANNUAL MEETING.

The Twenty-second Ordinary General Meeting of the shareholders in the Salt Union, Ltd., was held on March 20th, 1911, in the Large Hall, Exchange Station Buildings, Tithebarn Street, Liverpool. Mr. G. H. Cox, J.P., presided.

THE REPORT.

UNION'S TRADE IN 1910.—The quantity of salt delivered by the Union has been 838,000 tons, as against 774,000 in 1909, thus showing a gratifying increase of 64,000 tons.

NEW PLANT.—The new vacuum plant erected on the banks of the Manchester Ship Canal at Weston Point is practically complete, and is expected to start work next month. The very low range of prices which obtained in Calcutta throughout most of the year has further emphasized the impossibility of conducting this trade satisfactorily from inland works.

POWER SCHEME.—As regards the electrical installation to be worked in conjunction with the vacuum plant, a Company is being formed by the Union to take over the Provisional Orders, for the supply of electric current, granted to Mr. Cox and Mr. Falk as its nominees. The initial capital will be found by the Union; but as the business develops, and further capital is required, the shareholders will be afforded the first opportunity of subscribing it. Negotiations with several large consumers of power have already commenced, and there are indications that the whole available supply will be absorbed within a comparatively short period.

MR. JAMES HODGKINSON'S PROCESS.—An agreement has been made with Bowman, Hodgkinson & Company, Limited, for an exhaustive test of this process, which is being carried out at Northwich. Under this agreement your directors are in a position to acquire the rights for the United Kingdom should the test prove successful and the validity of the patents be established to their satisfaction.

MAINTENANCE OF PLANT, &c.—The District Managers have certified that the respective works, plant in operation, craft and rolling stock in their several districts have been maintained in good order. Practically the whole of the rolling stock now complies with the latest specification of the railway companies, a considerable portion being new.

PROFIT AND LOSS ACCOUNT.—The net profit amounts to £109,973 19s. 10d., or, including the balance brought forward from 1909, to £113,561 1s. 8d. From this has to be deducted Debenture Interest for the year, £54,000, leaving an available balance

.. .. .	£59,561	1	8
Your directors recommend that a dividend be declared			
of 5/- per share on the Preference Shares, amounting to ..	£25,000	0	0
That there be placed to General Reserve	20,000	0	0
And to Depreciation Reserve	10,000	0	0
Leaving a balance to be carried forward of	4,561	1	8

£59,561 1 8

THE CHAIRMAN'S ADDRESS.

The Chairman: Well, gentlemen, in moving the adoption of the report and balance sheet for 1910, it will not be necessary for me to go at great length into many matters that I felt it my duty to do on a similar occasion last year. We have steadily pursued the course that I then indicated to you, with, on the whole, satisfactory results. You may be disappointed in that these results are not better, especially as the volume of trade has been greater, but we continue to be faced by the same old difficulties and problems—for instance, the original sin of over-capitalization of the Company in relation to its trade, and the tendency to over-production of salt on the part of others as soon as a profitable basis is established. I want you to bear these two points always steadily in mind. Moreover, the increased trade was in the least profitable qualities, and we had also to contend against dearer coal. Consequently, our constant endeavour has been to overcome or modify these drawbacks as far as possible, by cheapening our cost of manufacture and shipment. You will notice that we have gained 64,000 tons, and should we gain a further similar amount during the current year (which is by no means improbable) we shall again reach the 900,000 ton level. At all events, I believe we touched low water mark as regards tonnage in 1909, and that the tide of increase will continue to flow in future. . . .

THE STABILITY OF YOUR PROPERTY.

It would be much pleasanter for your Board to be in a position to declare higher dividends, but that happy situation can only be attained after long and patient efforts have been expended upon the strengthening of the financial position, and also upon the thoroughly efficient equipment of the works. That is my reply to those shareholders who write to us complaining that we do not distribute more in dividends, instead of placing considerable sums to reserve as we have, I think, wisely done for several years. With reference to plant, you will be pleased to learn that our new works at Weston Point are practically completed, and we hope will turn out salt in a few weeks. Some unforeseen delay occurred in the erection owing to difficulties with the foundations, else I should have been able to announce to-day that we were making salt. I very much regret that I am not in that happy position. I may say that the installation is a most imposing one; it is elegant in design and yet bears abundant evidence of its power and capacity. It is indeed a wonderful monument of skill and ingenuity, and does infinite credit to our engineer (Mr. Malcolm), to the makers (the Mirrlees-Watson Company, Limited), and to all those who have been engaged in its erection. Electrical power engines are in their place, and ready to produce what electricity we require for our own work, both chemical and mechanical, and further engines are under order to increase the supply for customers who wish to use it. As stated in the report, a separate company has to be formed to comply with the Provisional Order Regulations. The Salt Union will find the initial capital requisite, but when further development is due and more capital wanted, we propose to give the shareholders of the Salt Union

the first opportunity of subscribing it. I might here interpolate a cordial welcome to any of our shareholders to visit these new works. I think they will be an eye-opener to many of you, and I am sure you will be surprised when you see how your money has been laid out.

As already shown by our increased tonnages, the trade generally has been in a healthy condition, the chief increases being shown in export, fishery and chemical descriptions. There has been active competition in the home trade, with the result that prices in many districts were lower than they would otherwise have been. The International Salt Company, that I referred to last year, has not yet succeeded in placing any material quantity of salt made by the Tee fusing process on the market. You will also recollect that I reminded you that the North Western Salt Company would terminate on 31st December of the current year. An attempt was made a few months ago to arrange for a continuance in some form, and we agreed to take part on certain terms. But those offered by the other manufacturers were so unacceptable that the negotiations had to be dropped. The trade is aware that we are still willing to consider any amended ones that they may have to offer, with a view to establishing a working agreement; but at present there does not appear to be any inclination on their part to do so. The situation is undoubtedly complicated by the fact of several important manufacturers being already outside even the existing arrangement. It looks, therefore, as if the issue will have to be decided by the primitive, not to say barbarous, arbitrament of a fight for supremacy, and it may be worth while for those interested to reflect that the battle is likely to end in victory for those who are best equipped, and who have the latest and most perfect weapons. Apart from this it does seem to be a pity that good money should be thrown away in order to arrive at what is the right proportion of the trade for each manufacturer to have.

THE INDIAN TRADE.

I must now refer to our Indian trade, about which I spoke to you at our last meeting. It has continued to give us cause for much anxious thought and care, especially during the first half of the year, when all the shippers, and notably those from the Red Sea, Port Said and Spain, flooded the market with salt, which was consequently sold at excessively low prices—prices previously quite unheard of and undreamt of. As we were determined to maintain our hold in Calcutta, we supplied our buyers there at proportionately low rates. Finally, the Spanish shippers agreed with us to limit their own shipments, and to uphold prices along with us. All the other shippers were free, as before, to ship and sell as they thought fit. Even this partial arrangement had a marked effect, and prices gradually advanced ten to fifteen rupees from the lowest point. This settlement ended on the 31st December last, but, nevertheless, the Spaniards have restricted their shipments and values have suffered only a slight decline.

I may tell you that to-day we have had a cable stating that the values have rather more than recovered that little decline. I want to make it as

clear as I can—not only to you, gentlemen, and to our whole body of shareholders, but to the outside public as well, a section of whom have, of late, presumed a knowledge and direction of our affairs to which they are certainly not entitled—that the Spaniards are only one—and I want to emphasize that—of many competitors in Calcutta, and that they are by no means the most formidable. In other words, we have got to face the fact that we shall always have to contend with

A LOW RANGE OF PRICES THERE,

much lower than we used to think possible. What I have just said is fully borne out by the figures of sales in Calcutta of crushed salt during the year under review. (Our salt is classed there as crushed.) The Spaniards have lost tonnage to a very considerable extent, whereas the Red Sea and Port Said have gained to a much larger extent than the Spaniards have lost; while we and the Germans show a moderate gain. The total sales are 37,000 tons in excess of those of the previous year. The stocks of all descriptions ended at about half what they stood at at the beginning of the year, which was a healthy feature. We feel that the existing situation fully justifies the determined fight that we carried on for several years, and also its cost, and we now anticipate that the produce of our new works at Weston Point will enable us, not only to supply what we have hitherto done, but to capture a larger share of the Calcutta trade in the future. The rise in freights for tramp steamers, on which our competitors are dependant, is another disadvantage to them as compared with the ballast freights at our disposal from the Mersey. Hence the general outlook for our trade is brighter than it has been for a considerable time.

The Chittagong and Rangoon markets, to which we sent practically nothing in 1910, have greatly improved in prices, and we have arranged to ship considerable quantities thither during the present year. I told you last year that we had opened a new market by shipments of 17,000 tons to Japan and Siberia, and I am glad to say we are sending about a similar quantity again this month. But perhaps the most satisfactory thing is that throughout the East the consumers have learnt to appreciate our vacuum pan salt and to prefer it to other descriptions.

THE MARBURY BRINE PIPE.

The other matter is one which was brought to your notice before, and which has also occupied a good deal of space in the Press, namely, the question of our right to carry our brine pipe at Marbury over the North Staffordshire Canal. The mischievous agitation has been continued throughout the year, with the result that the North Staffordshire Railway Co. (who are the owners of the canal) acting upon the advice of counsel, have given us notice to terminate the agreement whereby we have hitherto paid them five pounds per annum for the wayleave. Should any steps be taken to compel the removal of our pipe, we are ready to defend our position in the law courts, and up to the House of Lords, if necessary, because we are advised by the most eminent of counsel that we have a perfect right to the pipe as

it exists. In any case, we can provide ourselves with brine at a comparatively small cost in other ways than by taking it over the canal. Further, should litigation be entered upon, heavy expenses will be incurred, and as important ratepayers we have quite recently formally protested against the public money being used for such a purpose, and are taking steps to hold those who may have authorised any such expenditure responsible for it. Within the last few days a pamphlet has been issued, presumably with the sanction of the Local Authorities' Advisory Committee, as a paragraph at the end of it states that any further information required may be obtained from their Secretary, Mr. J. Arthur Cowley. One of the most remarkable things connected with this extraordinary production is its title, which is as follows: "The Truth"—mark you, the Truth—"about the Marbury Brine Pipe and its effects upon the Cheshire Salt District." To anyone who knows what the actual facts of the case are, the application of this title will appear to be singularly out of place. If I may be allowed to parody a well-known phrase used by a distinguished Statesman, I should be inclined to re-christen the document

"A COLLECTION OF INTERMINABLE INEXACTITUDES!"

Nothing can save the export trade in salt for Mid-Cheshire, so far as the great bulk of it is concerned, for the very simple reason that it has to compete with sources of supply which are much more favourably situated, not only foreign sources of supply, but even supplies in our own islands. Fortunately for the inland towns, some of the finer and special export qualities will still be retained for the old plants, and we are constantly working—and successfully—to that end. But I do earnestly wish I could make it understood, once for all, that the great Eastern markets—and some Western ones also—which absorb anything from 150,000 to 200,000 tons of salt per annum, are irrevocably lost to Mid-Cheshire, and would be so even if the Weaver tolls were abolished altogether. Therefore, if by any chance our enterprise at Weston Point were stopped, the above trade would cease. I feel that you will entirely endorse my description of the agitation against the pipe as not only mischievous but mistaken. Gentlemen, we have been very patient both for ourselves and on your behalf throughout the whole year, and we have not entered into any controversy at all with regard to it, and the other side have had much of their own way, but I think the time has now come when our patience, and especially your patience, is exhausted. It is mischievous because it throws doubt upon our great undertaking and frightens uninformed and timid shareholders. Yet the whole body of our shareholders have borne a heavy burden for several years in order to keep the market open in the hope and expectation of being ultimately able to reduce the cost of shipment and thus carry on the trade, which otherwise must be abandoned. It is mistaken because it cannot accomplish the objects which it sets out to do, namely, to stop the brine supply at Weston Point and to retain the trade for the inland towns. To have even to argue or discuss the matter makes me feel as if we were living in the middle ages instead of in the twentieth century!

QUESTIONS BY SHAREHOLDERS.

The Chairman : Before putting the resolution it is open to any gentleman to make any remarks or ask any questions.

Mr. J. Hunter : Will the Chairman please inform the shareholders how long the pipe which conveys the brine to Weston Point has been laid down ?

The Chairman : About thirty years.

Mr. W. Martland : I see by the statement of accounts an item "Extra services of Directors £2,000—what is that for ? Then it is shown here that you have money invested in the preference shares of South American railways. I think they are very risky indeed invested in South America.

The Chairman : I did not quite catch your second question. What was it ?

Mr. Martland : You have money invested in the preference shares of South American railways.

The Chairman : Well, answering your second question first, we have practically sold all our South American railway stock at a profit on what we paid for it. With regard to the first question it is one that comes up perennially, which I try to answer as clearly as I can year by year. These extra services represent practically the services of two gentlemen who really ought to be designated managing directors. If they were so designated the amount which they receive would go into administration and you would know nothing about it. I almost think we are the only Company that has the—shall I say, the honesty to show exactly what we do pay. In most other companies there are a number of managing directors—gentlemen who give their entire services and all their time to the work of their companies, and they are very properly paid well for those services, and that amount of money is always placed in administrative charges and it is not shown to the shareholders. We are more honest, gentlemen, and we show it.

Mr. J. R. Coates : Mr. Chairman, I should like once more to suggest that shipments to Calcutta be left to the merchants and ship-owners, and that the Company only deliver the salt alongside.

The Chairman : I am sorry to say, sir, we cannot turn the clock back. There are no merchants of that kind now who are willing to buy it. I wish there were. I will now put the resolution, viz., "That the report of the directors, with statement of accounts for the year ended 31st December, 1910, now submitted, be received and adopted."

The resolution was carried unanimously.

THANKS TO THE CHAIRMAN.

Dr. McDougall : I beg to move "That our best thanks be given to the Chairman," and allow me to endorse what the Chairman has said about the plant at Weston Point. I think it would serve a very intelligent and useful purpose if the shareholders of this concern, or as many of them as can, would pay a visit to Weston Point and see that beautiful and interesting plant there. I have spent some considerable time in examining the plant in the last three or four days, and while I confess that my knowledge of the plant is not of a

very extensive character I was agreeably surprised to find so admirably arranged a mechanical organization such as that plant is. It redounds to the credit of all concerned. I am not going to speak of its probable success as a salt-making machine, but on the other hand we cannot overlook the fact that we have science condensed there in a form which I have not read or known of before. I feel sure that the Chairman and the directors are to be congratulated in grasping the situation in the way in which they have done, and in trying to bring about the condition of things that we have ; and with that, and that only, is there any hope of this concern floating safely above water. I feel sure that every shareholder in this place and elsewhere—it would amply pay them if they were to see such a splendid mechanical contrivance. I know you have been hampered and annoyed to a very large extent by unnecessary gabble. I cannot call it by any other name than unnecessary gabble, for as a matter of fact brine does not go out of the county of Chester. Brine is imported from Winsford, and therefore it is in the interest of labour in addition. At any rate, we have this satisfaction—that the present body of directors will continue the progressive movement which they made some years ago.

TWENTY-THIRD ANNUAL MEETING.

The Twenty-third Ordinary General Meeting of shareholders of the Salt Union, Ltd., was held at the Exchange Station Hotel, Liverpool, on March 15th. Mr. G. H. Cox, Chairman of Directors, presided.

THE REPORT.

UNION'S TRADE IN 1911.—The quantity of salt delivered by the Union has been 875,000 tons, as against 838,000 tons in 1910, thus showing the very satisfactory increase of 37,000 tons.

NEW PLANT.—The new vacuum plant at Weston Point started work last May, and has unquestionably strengthened the position of the Union by enabling it to meet foreign competition on more favourable terms. Large shipments have been made from these works to India and other competitive markets, which could not have been made from the works at Winsford and Northwich.

POWER SCHEME.—The Union has subscribed for 50,000 £1 shares in the Mersey Power Company, Ltd., and has good reason to anticipate a remunerative return on this investment in the future, as the progress made by that company in making contracts for the supply of power to large works has been most satisfactory.

MR. JAMES HODGKINSON'S PROCESS.—Not being satisfied with the test of this process, your directors have decided not to acquire the patent rights.

BRINE PUMPING (CHESHIRE) BILL, 1912.—A Bill bearing this title has been promoted by some of the Mid-Cheshire Urban District Councils and the County Council, the purpose of which is to prevent the manufacture of brine products at a greater distance than three miles from the pumping station. A petition against this Bill has been deposited by the Union, and it is the intention of your Board to oppose it strenuously in Committee.

MAINTENANCE OF PLANT, &c.—The District Managers have certified that the respective works, plant in operation, craft, and rolling stock in their several districts have been maintained in good order.

PROFIT AND LOSS ACCOUNT.—The net profit amounts to £125,896 2s. 7d., or, including the balance brought forward from 1910, to £130,457 4s. 3d. From this has to be deducted Debenture Interest for the year, £54,000, leaving an available balance

£76,457 4 3

Your directors recommend that a dividend be declared of 7/6 per share on the Preference Shares, amounting to ..

£37,500 0 0

That there be placed to General Reserve

25,000 0 0

And to Depreciation Reserve

10,000 0 0

Leaving a balance to be carried forward of

3,957 4 3

£76,457 4 3

CHAIRMAN REVIEWS THE YEAR'S WORK.

The Chairman said : When moving the adoption of the report and balance sheet for 1910, I ventured to congratulate you upon the increase of tonnage then recorded, the total for that year being 838,000 tons. I have now to draw your attention to the fact that for last year our total reached 875,000 tons, thus very closely approaching the figure that I hoped we might reach, namely, 900,000 tons. Last year I expressed the view that we were on the flood tide with regard to tonnages, and the events have borne out what I then predicted. I am of opinion that the tide is still on the flood, and I look for a further increase during the current year—unless, indeed, we are materially checked by labour troubles.

The net result of our trading is very satisfactory. It is the best of the past fifteen years, excepting only 1907, when the net profit, at £127,075 9s. 7d., was slightly better than the £125,896 2s. 7d. earned in the year under review. Not only have we thus approximated very closely to the 1907 result, but—if you will turn to the current accounts—you will notice that our policy of strengthening the reserves, &c., has greatly improved the position of the Union, compared with what it was five years ago. . . . The

GROSS PROFITS

show an increase of £25,000, whilst the dividends, discounts, &c., are £6,100 down, partly due to the receipt of less interest from our investments. The net profits, therefore, are £16,000 better than those of the previous year, after setting aside £10,000 extra depreciation on plants, &c. . . .

MODERNIZING OF PLANT.

To return to our own progress in the modernizing of our plant, I am glad to inform you that the Winsford vacuum plant, and the brine purification plant connected with it, have continued to work most satisfactorily throughout the year. That remark applies also to the electrical power scheme which is operated in conjunction with the Winsford vacuum plant. The average weekly tonnage of salt made by this plant has been increased, whilst several of the weekly runs established fresh records. The Winsford electrical plant has given excellent results, and has proved the superior economy of electricity as compared with the old system of driving by steam, which was the method previously used in the district. We are installing additional drying and sieving machinery, these additions being necessary to enable us to cope with our orders. The gas plant at Weston Point has done exceedingly well, and the further advance in the price of sulphate of ammonia has materially increased the value of the plant as an adjunct to our business. Finally, with regard to the new vacuum plant at Weston Point. As stated in our report, operations were begun there about the middle of May last year. Scarcely a hitch of any kind has since occurred ; but the training of a new set of workmen for a plant of this description takes a considerable time. However, both men and plant are now getting into their stride, and the out-turn is already largely in excess of what it was at the beginning. And under the more favourable conditions which will follow the installation of the two 1,500 K.W. turbo-alternators the plant will, I believe, largely exceed in out-turn even the

figures which it has already attained to. The delivery of these turbo-alternators, I may tell you, has been greatly delayed owing to pressure of work in the contractors' engineering shops, and also to strikes, &c. Hence the development of our electrical power scheme has been much retarded. Meanwhile our subsidiary, the Mersey Power Company, Limited, has made further large and favourable contracts with various consumers in the district for the supply of this power, and I believe that, before very long, all our available power will have been disposed of. The Union still holds the 50,000 Mersey Power shares which it subscribed for, so that profits made by the Power Company, will, of course, come into the coffers of the Salt Union. It may be, however, as I intimated last year, that further extensions, if decided upon, will be financed by a public issue of the Power Company's shares. If that is done, our own shareholders will be given preferential allotment; but it is the Union's intention always to retain a dominating interest in the Power Company. . . .

INDIAN TRADE.

Coming to the Indian trade, we have experienced important fluctuations in price, fortunately this time, on balance, in a favourable direction. The disastrous trade of the previous two or three years led to a general desire, amongst shippers of solar salt, for a higher level of prices, which would ensure some profit instead of heavy losses. We were willing to fall in with their wishes, on the understanding that we had a full proportion of the tonnage. There can be no shadow of doubt—and I want you to take a special note of this—that the solar shippers were largely influenced, in their desire for an agreement, by the knowledge of our ability to make and ship salt cheaply from Weston Point. One of the most important of them, I may say, actually came over and visited our works, which made a great impression on his mind.

This arrangement affected prices favourably, resulting in a change from the heavy losses of the past to a period of reasonable profits. But you will understand the great uncertainty of this market when I tell you that, early in December, a cargo of solar salt was shipped from Aden by a new shipper who had obtained a concession from the British Government, and the arrival of this cargo in Calcutta caused, immediately, a fall in value of ten shillings per ton. This brought values, once more, to a level which left losses all round. There has been a recovery since, and for the moment prices are at a fairly remunerative level. But there is no guarantee of permanency; we hear, indeed, of cargoes being shipped from still further new sources of supply, in competition with the salt shipped by the Union and by the older-established solar salt shippers. Facts like these demonstrate the necessity of our being able to make, and to ship, salt from the United Kingdom at the lowest possible cost, if we are to retain a secure hold on the great Eastern markets. Last year's exports to these markets, I am glad to say, reached the increased and substantial total of 208,000 tons against 166,000 tons for 1910. No one, I am confident, will question the fact that a trade of this magnitude must not be sacrificed if it can possibly be held. Not only is it important to the shareholders of the Salt Union, but to the landowners in Cheshire, and the great shipping interests of Liverpool.

MARBURY BRINE PIPE.

This brings me, continued the Chairman, to the thorny question of the Marbury brine pipe, because, as you are aware, our Weston Point interests, and the cheaply made and cheaply shipped salt, depend for their existence upon that pipe. A year ago I endeavoured, in the clearest possible language, to explain the position of the Salt Union in this matter. The local authorities concerned have, however, persisted in their agitation, although in the inconceivable event of its success it would render abortive the Union's efforts and sacrifices to retain the Eastern markets. I then stated that if the Eastern trade and some other export trades cannot be done from Weston Point they certainly can never be carried on from Mid-Cheshire. I described the agitation as mischievous and mistaken, mild terms considering the great interests which are being so unwarrantably attacked. But, apparently, those who are engaged in it still hug the belief that, if the Weston Point works could be stopped, the trade would be brought back to Mid-Cheshire. Recently Sir Edward Grey, in one of his weighty speeches, pregnantly remarked "that it was not a difficult thing to tell the truth, but very difficult indeed to get people to believe it!" That epitomizes our experience in this brine controversy. In spite of my deliberate statements—and I have been prepared to prove every fact which I have put forward—the misconceptions prevalent when the agitation began (now more than two years ago) are still believed. Fuel has been added to the flames by the fact that the Cheshire County Council,

BY A STATUTORY MAJORITY OF ONE,

ultimately decided to join in the promotion of the Brine Pumping (Cheshire) Bill, 1912, which will shortly be discussed in the Committee-room of the House of Lords. A narrow view is, perhaps, not unnatural to the small Councils, obsessed by fears as to their prosperity under the new conditions. Even in their case, however, wilful blindness to the facts and to the plain deductions from those facts, is inexcusable. Suppose (for instance) that the Salt Union, in the same narrow spirit, had declined to promote the manufacture of salt at a distance from its existing pumping stations, in order to conserve its own very large possessions in Mid-Cheshire, which include houses, shops, &c., as well as lands and brine! The result simply would have been that, sooner or later, a large portion of the export trade would have been permanently lost, and no benefit would have accrued to Mid-Cheshire. But whatever may be said for the small Councils, the fact that a body of gentlemen, like that comprised in the Cheshire County Council, could adopt this parochial attitude makes one

DESPAIR OF OUR LOCAL AUTHORITIES.

The Council has, it is true, guaranteed the interest on the Weaver Navigation's bonds; but the very remote chance that the Weaver tolls may fall, to an extent that would bring this guarantee into operation, cannot be said to justify the Council's action, especially considering that the stoppage of salt-making at Weston Point would not help the Weaver tolls, it being impossible to

re-establish the Eastern export trade on the banks of that river. Moreover, even if the Council's position as a guarantor were a reason in favour of its procedure, there is an objection which more than counterbalances it. I mean that the County Council can only support the action of the Mid-Cheshire authorities at the expense of districts controlled by other authorities in the same county; in other words, the great interests of the Runcorn Urban and Rural Districts are to be offered up in sacrifice in a vain effort to confer benefits upon Northwich and Winsford! Further, the Brine Pumping Bill, if passed, would confiscate vast amounts of existing property and rights which have been enjoyed for thirty years. It would also hamper the future development of salt and chemical manufacture throughout the whole county. I fail entirely to see how the Cheshire County Council, or any similar body, can possibly justify such proposals. Neither can I believe for a moment—nor can anyone else who has carefully examined the facts—that Parliament will sanction legislation embodying the principle of the Bill. I do not hesitate to assert that if the policy now being pursued by the County Council and other Cheshire authorities were generally followed, all private property—whether of landlords, or tenants, or traders—would be seriously jeopardized, and

A SENSE OF INSECURITY ENGENDERED

which would paralyse enterprise. My opinion, as to the objectionable nature of the Bill, is fully shared by various important bodies. I will read you a list of those who, in addition to the Salt Union, have petitioned against it. They include the Alkali Association, Liverpool Chamber of Commerce, Liverpool Steamship Owners' Association, Manchester Ship Canal, Mersey Docks and Harbour Board, Runcorn Urban Council, Runcorn Rural Council, Lord Barrymore, Brunner, Mond & Co., Ltd., Castner-Kellner Alkali Co., Ltd., Lever Bros., Ltd., and Mersey Power Co., Ltd. I think, gentlemen, we have a right to be highly indignant at the attempt that is being made to injure—nay, confiscate—your existing property in and dependent upon the Marbury brine pipe, and to thwart your efforts to preserve a great trade for Cheshire and the United Kingdom; causing, in addition, unnecessary trouble to all concerned, and the expenditure of large sums of money to prevent interference with the legitimate conduct of our industry. We have adopted, I need scarcely add, all the necessary means to protect your interests in this matter. To this end we have engaged eminent counsel, and have prepared a very strong case against the passing of the Bill. The discussion in committee of the House of Lords will not begin, we are informed, until after Easter.

EFFECTS OF LABOUR UNREST.

In common with so many other traders, proceeded the Chairman, we have had to deal with the labour problem, which has affected us both directly and indirectly. Our relations with our workmen have always been friendly. The general shrinkage of tonnage, however, compared with earlier times, and the seasonal nature of our trade in many respects, cause an exceedingly irregular demand for labour. . . . We intimated our willingness to receive a

deputation, and accordingly met three representatives of the workmen's organization. . . . A second conference was subsequently held, with the result that wages were increased, the advances ranging from one shilling to three shillings per week, the three shillings being in regard to those who were receiving a very low rate of wages. . . . It will interest you to learn that our total wages bill amounts to

FULLY £200,000 PER ANNUM.

We are also indirectly affected by the unsettled state of labour in the coal world. . . . Whatever the settlement may be that is come to in the next few weeks we shall find coal permanently dearer. This will necessitate economy in its use in every direction, and still further justifies the Union's adoption of coal-saving plants, namely, the vacuum and Mond-gas installations.

THE INSURANCE ACT

will further add materially to our burdens. Our accountant tells me that it will probably cost us between £3,000 and £4,000 per annum. . . .

Last year I alluded to the approaching end of

THE NORTH-WESTERN SALT CO.

That company was formed, you will remember, five years ago for the purpose of regulating prices and outputs, and the arrangement terminated on 31st December last. I regret to say that the strong efforts made for its reconstitution or extension for a further period were unsuccessful. . . . In the end, seven of the old members (including, of course, the Salt Union) agreed to join hands once more, and the British Salt Association, Ltd., was formed. This, at all events, has enabled us to conserve many of our important trades, especially certain of our export and fishery trades; and it has even assisted the protection of our interests in the home market, to a limited extent. But with ten manufacturers outside, there has naturally been active competition for the trade, and contracts—in many cases—have been taken at extremely low prices for the current year. . . .

Looking ahead, I think we may fairly anticipate

A SATISFACTORY YEAR,

always assuming, of course, the absence of serious social convulsions or prolonged dislocation of trade. A higher cost of manufacture, I am afraid, is one of the certainties of 1912, especially as regards salt produced by old-style plant, but this will be partly counteracted by favourable results from our modern plants. We shall, in 1912, undoubtedly have the advantage of a much larger proportion of our salt being produced by the new processes than was the case during the past year.

DR. MCDUGALL CONGRATULATES THE DIRECTORS.

Dr. McDougall: Before the resolution is put to the meeting, I should like most heartily to congratulate you, sir, and the directors, on the presentation of such an admirable report and balance sheet. I have been attending the meetings of the Salt Union since its formation, and I have never on a previous occasion been more gratified than I have to-day with the hopeful and encouraging balance sheet, and also with what you have told us this

afternoon. When saying so much on behalf of the directors and the staff of the Company, I cannot but regret as a Cheshire man that the Cheshire County Council should in a moment of, shall I say excitement, and want of knowledge of the facts, have entered upon a crusade, for that is the only word that describes it, against an industry, and in order to prejudice it to the extent it has done. . . . One could hardly think it possible that the Cheshire County Council should try and handicap a legitimate industry in this way, and ask you to be a party to a kind of protection which is unheard of in commercial life. I should not have thought it would have been possible, having regard to the responsibility of the position and the responsibility of the situation, that anybody could have actually been guilty of such a thing. . . . You say, sir, and you ought to know, that it is impossible to place your salt in ship bottoms in the Weaver, or here at the docks at Liverpool, and send it to Calcutta except at a loss unless you are going to reduce the cost of manufacture, and how can you do that? The cost of manufacture has to be reduced to meet emergencies, and you are to be most highly congratulated on having adopted a method that brings about such happy results. The vicissitudes of this Company have been very great. It was started on inflation, and on one occasion the ship was very nearly stranded, and, to tell you the truth, if it had not been for the existing arrangements and the self-sacrifice of the directors and their energy in getting the thing to go, the ship would have been on the rocks long ago, not merely on the sand, but on the actual rocks themselves. I think you have taken

A WISE AND A PRUDENT COURSE.

That steps should have been taken to promote a Bill of this kind is utterly incomprehensible to any person with a limited knowledge of business matters, and to people who have that knowledge it will be still more incomprehensible. I hope that whatever will be done the directors of the Salt Union will not lose sight of the interests of their shareholders or of the salt industry, and that with such fine works as we have at Weston Point they will be able to continue them.

Mr. William Martland asked what was the reason of the promotion of the Cheshire Brine Bill to oppose the Salt Union.

The Chairman : That is a question I cannot answer.

Mr. Martland said he understood there was some place at Northwich where the brine was pumped.

The Chairman : Of course, their contention is that the manufacture of salt shall take place just where the brine comes up, so that it would occupy the labour of the district. Our contention is that the trade can no longer be done there for certain parts of the world, and, therefore, it is nonsense to talk about employing the labour in Mid-Cheshire. You cannot do it any longer, and I tried to make it as clear as I could that if the Weston Point works are stopped the trade will simply be lost not only to the Salt Union but also to the United Kingdom.

The resolution was then put to the meeting, and was carried unanimously.

TWENTY-FOURTH ANNUAL MEETING.

The Twenty-fourth Ordinary General Meeting of shareholders in the Salt Union, Ltd., was held on March 17th, 1913, in the Law Association Rooms, Cook Street, Liverpool. Mr. George Henry Cox (Chairman of the Directors) presided.

THE REPORT.

UNION'S TRADE IN 1912.—The quantity of salt delivered by the Union was 881,000 tons, as against 875,000 tons in 1911. The increase shown would have been much greater but for the coal strike and the protracted strike of salt-makers in the Durham district. These strikes affected very seriously, both directly and indirectly, the profits of the Company during the past year, by interfering with the delivery of salt and largely augmenting the price of coal.

POWER SCHEME.—Although the Mersey Power Company only commenced to supply electric current early last year, such progress has since been made that a good and increasing revenue is now being earned.

BRINE PUMPING (CHESHIRE) BILL, 1912.—This Bill, promoted with a view to restricting, in an unprecedented manner, the valuable rights acquired by the Company in 1888, was after a lengthy hearing rejected by the Committee of the House of Lords. The defence of such vital interests necessarily caused a large expenditure. In addition, the costs incurred by the promoters have increased the rates in the Cheshire districts, of which a considerable share will have to be borne by the Company; whilst the general public have derived no benefit whatever from the action taken by the various authorities.

MAINTENANCE OF PLANT, &C.—The District Managers have certified that the respective works, plant in operation, craft and rolling stock in their several districts have been maintained in good order.

PROFIT AND LOSS ACCOUNT.—The net profit amounts to £80,146 17s. 7d., or, including the balance brought forward from 1911, to £84,104 1s. 10d. From this has to be deducted Debenture Interest for the year, £54,000, leaving an available balance of £30,104 1 10

Which it is proposed to appropriate as follows:—

To place to General Reserve	£15,000 0 0
And to Depreciation Reserve	10,000 0 0
Leaving a balance to be carried forward of	5,104 1 10

£30,104 1 10

CHAIRMAN MOVES THE ADOPTION OF THE REPORT.

The Chairman: Gentlemen, I rise now to move the adoption of the report, and in doing so I would like to say that to all those responsible for the conduct of the Salt Union's affairs, the year 1912 was a momentous and a very anxious one. In common with many other industrial undertakings, we passed

through a period of great unrest and of disastrous interference with trade. I allude to the national coal strike, which held up the whole industry of the country, and also to a strike amongst the salt men in the Middlesbrough district, about which I shall speak later on ; and, concurrently, our work was rendered more difficult owing to the necessity we were under of preparing our case for the defence of your large interests at Weston Point, jeopardized by the Brine Pumping (Cheshire) Bill. Not only did the coal strike cause a stoppage of production and distribution of salt, but it has resulted in a very material increase in the cost of fuel ever since, and I am afraid that we cannot look for any substantial reduction for some time to come, nor hope for an eventual return to the prices ruling three or four years ago. One of the consequences of the coal strike—and this is a concrete example of the evil effects which such an upheaval brings about—was in important increase in the solar salt imports, namely 21,169 tons, which means that compared with 1911 the imports were nearly doubled. We, gentlemen, should have supplied the whole of the quantity named had conditions been normal.

FORECASTING A CERTAINTY.

At our meeting last year, in attempting to forecast the course of trade for 1912, I ventured to predict that one of the certainties was an increase in the cost of production. This prophecy, unhappily, has proved only too true ; while to make matters worse, the year also saw the break-up of the British Salt Association. . . .

Coal alone, I may tell you, has cost us £25,000 more than it did in 1911, and to-day—this is a very significant fact—it is over 50 per cent. dearer than in 1909, whilst all other stores and materials are up 20 to 30 per cent. In addition, wages show an increase of £7,000 to £8,000, and recent legislation—such as the Insurance Act—means an extra expense of fully £2,500 a year to us. Nevertheless, I do not hesitate to say that, had we been free from the abnormal conditions already referred to, the Company would have experienced a considerable increase in tonnage, instead of a small one of 6,000 tons, and that we should also have been able to record an expansion in our net profits. . . .

THE BRITISH SALT ASSOCIATION.

You will remember that I spoke at our last meeting of the winding up of the North-Western Salt Company, and referred to the formation of a new company, namely, the British Salt Association, which was established to regulate tonnages and prices. This new company did not contain all the members of the salt trade by any means, although it controlled 84 per cent. of the tonnage. It had, however, a salutary effect during the year, but as those who remained outside persisted in erecting more pans, and in laying claim to a larger share of tonnage for the future, the British Salt Association was brought to an end on 31st December. Since then free competition has existed, with the natural result that prices have been materially reduced.

Imagine the irony of the situation ! Just at a time when the cost of production has gone up by leaps and bounds certain manufacturers take it

into their heads to increase the quantities produced in an already overstocked market ; and in order to sell, force down the prices. Consumers had not asked for any reduction ; indeed, so far as the home trade was concerned, they were prepared to pay substantial advances. The opportunity of securing these, therefore, vanished through the action of those who were striving to obtain an unwarrantable share of the trade. Several attempts were made before the final break took place to rearrange matters with a view of forming another association. To facilitate this we, on our part, were willing to accept the same tonnage as before, although we might reasonably have claimed a larger quota, in view of the capacity of our new plants for turning out large quantities of cheap salt. We did not press that consideration, and were ready, for the sake of maintaining good relations in the trade, to continue on the old basis. That was also the attitude of several other important makers ; the remainder, nevertheless, remained obdurate. Including the tonnage claimed by Messrs. Chance & Hunt, who began their work two or three years ago in the Midlands, the extra amounts totalled, in round figures, 100,000 tons. Anxious as we were for peace, we felt that rather than agree to this, or even to half of it, it was better to defend our position by a fight, for which we are well prepared.

You know the history of the trade in the past. Gradually the Salt Union's share of the total tonnage marketed has been reduced, owing to new makers coming into existence and cutting under us. Associations have been formed from time to time, and some profits thereby secured. But always, at the end of these periods, there has been a demand for a larger share on the part of the outsiders. We have felt that we could not allow this process to go on indefinitely, and that the time has come, not merely to call a halt, but even to claim more of the trade than previously ; and I am sure you will support us in the attitude we have taken up. . .

PROFITABLE EASTERN TRADE.

As to the Eastern trade, this extremely important branch of the business has added appreciably to the profits of the year, and its maintenance is, therefore, of great moment. The bulk of our shipments have gone, as hitherto, to Calcutta, but we have also sent considerable quantities to Chittagong, Rangoon and the Far East. To Calcutta we shipped less than in 1911, owing to freight difficulties occasioned by the coal strike ; whilst the rates of freight for tramp steamers have ruled very high, thereby checking shipments to other destinations. Consequently we sold less salt in Calcutta to the extent of 32,000 tons, and the price realized was also slightly lower. To compensate for this, our salt cost much less, as we were able to ship a larger proportion of vacuum plant and gas-fired salt than formerly from Weston Point. Curiously enough, the total distribution of all kinds of salt appears to have fallen off. This is the more unaccountable as India generally is prosperous. . . .

This situation emphasizes very forcibly, and I want you particularly to note this, the wisdom of our step in establishing the production of vacuum

salt, for export, at Weston Point. Had we not done so, we should inevitably have lost our Eastern trade—hence the worse than folly of those who endeavoured to prevent our extensions there.

ILL-INFORMED CRITICISM.

It is desirable that I should say something about our modern plants, and particularly concerning those at Weston Point. This is the more necessary, as many ill-informed criticisms and prophecies were indulged in, concerning them, during the contest over the Brine Pumping Bill in the Lords' Committee Room. Moreover, it has come to my knowledge that, of late, extravagant reports of an adverse character have been current in the Cheshire districts as to the working of these plants. I want to assure you that there is no truth whatever in these statements, which appear to emanate from those who either don't understand the new order or who are unfriendly towards the Union. . . .

THE MERSEY POWER CO.

The electricity, as you are aware, is partly used for our own purposes, as a motive power in connection with the vacuum and the gas-producer plants, and in the manufacture of chemicals for purifying brine. The major portion of it, however, is dealt with by the Mersey Power Company. That company has already disposed of two-thirds of the available supply, at remunerative rates, and is negotiating for the disposal of the remaining third. It will interest you to learn that it has laid fifty-five miles of high and low tension cables, telephone and service wires, and has erected and equipped seven sub-stations. Much delay has occurred in the actual use of the current, the general activity of trade preventing prompt delivery of the requisite machinery to the Power Company's consumers. The latter are rapidly coming on, and a good and increasing revenue is now being derived from this source.

The electrolytic chemical installation has worked without a hitch, and as in the case of the vacuum plant, our hopes have been more than fulfilled, both with respect to its working and financial results. At Weston Point, it only remains for me to refer to the gas-producer plant. That continues to yield most excellent returns in every direction, and had it not been for the unfortunate interruption occasioned by the coal strike, would have established another record. . . . I trust that what I have said about our plants will, once for all, dispose of the baseless gossip concerning them, which I alluded to a few moments ago.

THE BRINE PUMPING BILL.

With regard to the Marbury brine pipe, the mischievous agitation—I was very much tempted to use a stronger word than mischievous—to which I have had to refer at previous annual meetings, came to a head with the deposit of the Brine Pumping (Cheshire) Bill, 1912. This Bill duly passed its second reading in the House of Lords, and a date was fixed for its consideration in Committee. Had it been carried as originally deposited, it would

have confiscated your property at Weston Point, representing an expenditure of, say, £300,000 to £400,000, because it provided that no brine was to be utilized at a greater distance than three miles from the pumping station, a limitation which would also have been disastrous to other manufacturers, notably Messrs. Brunner, Mond & Co. It was altogether a monstrous attempt to interfere with the natural course of trade. Before it was actually taken in Committee the promoters gave notice of a modification, by virtue of which a fixed quantity of brine—about a fourth of its total capacity—was to be allowed to go through our pipe; and they arranged an area in which Messrs. Brunner, Mond & Co. could pump to their respective works at distances greater than three miles. Even this could not for a moment be entertained, and consequently the matter was fought out before the Lords' Committee, which was ably presided over by Lord Ribblesdale, who, by the way, made a happy remark to our opponents' counsel in the course of the proceedings. It was that he thought the Salt Union people were good people struggling against adversity. . .

The array of counsel was a formidable one, and the inquiry lasted for eleven days, so that the legal expenses were very heavy. You will have seen from the accounts that the total cost to us alone was £4,683, whilst both our Company and Messrs. Brunner, Mond & Co. have to contribute, through the local and county rates, to the costs incurred by the promoters.

After a long and exhaustive inquiry, the Lords' Committee, as you know, announced their conclusion, namely, that the Bill could not proceed. And so this long-drawn-out, troublesome and expensive agitation received its quietus, and I do not think it is likely that the proposal will ever be revived. The very fact, however, that traders may be subjected to such attacks—attacks engineered and led by men who might be expected to take a sound and broad view of such matters, and whose interest it should be to foster rather than to restrict trade—is a disquieting thing. . . .

THE LABOUR QUESTION.

Concerning labour, we have had peace in Cheshire and Worcestershire, the men there having been in receipt of the advances about which I told you last year. In addition, the standing wage of our Cheshire watermen was, during the year under review, increased by 1/- per week, and their conditions of working have been altered in a way which results in considerable further expense to us. The strike in Middlesbrough, to which I have already briefly referred, was unfortunately a long and obstinate one, lasting some fourteen weeks—or really sixteen weeks, if we include the fortnight which it took to get the works properly under way again. . . .

We had a number of interviews with the men's representatives, and finally it was agreed by all the manufacturers—and there are three or four other manufacturers in Middlesbrough beside the Salt Union—that for the sake of peace we should give the salt-makers and firemen an average advance which amounts to 1/- a week, and, say, 1/6 a week to the labourers.

THE IMMEDIATE OUTLOOK.

In conclusion, I am afraid that it cannot be said that the immediate outlook for the salt trade is very encouraging, and I shall not attempt to forecast the more distant one, though it is not without some favourable features. I have already touched in detail upon several aspects of the situation, but I wish especially to emphasize this point, viz., that the greatest enemy of the trade is the over-production of salt—an enemy which is encouraged and permitted to grow within its own borders. It could easily be checked, and the evil abolished, if a little self-restraint were exercised on the part of certain manufacturers. The Salt Union at all events has endeavoured to set a good example in this respect, but hitherto without result. I have spoken of the increased demands made recently as amounting to 100,000 tons, since the formation of the North-Western Salt Company six years ago; but I regret to say that we have learnt, within the last few days, that further additional tonnage is about to be created, resulting from the development of a new salt field very favourably situated on the Manchester Ship Canal at Lymm. . .

CONTINUED LABOUR UNREST.

One other subject I should like to touch upon, as affecting the future, and that is the continued unrest of labour. I heartily sympathize with its desire to better its conditions, so long as its efforts do not transgress the fundamental economic laws. How to really benefit the wage-earners permanently is a very complex problem, and ought to be solved by each industry in its own way as far as possible, and with due regard for its peculiar needs. What complicates the whole matter is the more recent policy, adopted by the great Labour Unions, of the "national" or "sympathetic" strike. This inevitably spells loss and ruin to many industries and to vast numbers of men—men who have had nothing to do with the disputes that led to the strike. Such a condition of things is cruel and wasteful beyond measure, and must entail irrevocable loss on the public at large. We were placed in this position by the national coal strike—our artisans were thrown out of work; trade was lost and production made more expensive; and you get no dividends. No management, no foresight, can protect us against such happenings.

The resolution was then put to the meeting and declared carried.

READY IN DECEMBER.

SALT IN CHESHIRE.

BY

ALBERT F. CALVERT.

Illustrated with over 200 Photographs, Maps, and Plans.

Although Salt in Cheshire has been worked for about 2,000 years, this will be the first volume ever published dealing exclusively with that subject. The headings of the following few chapters will indicate the field which the book is designed to cover :—

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MANUFACTURE OF SALT.

SUBSIDENCES IN THE SALT DISTRICTS.

PARTICULARS OF THE VARIOUS COMPENSATION AND BRINE
PUMPING BILLS.

CHESHIRE SALT TRADE.

RIVER WEAVER NAVIGATION.

SALT TRADE OF WINSFORD.

NORTHWICH SALT DISTRICT.

MIDDLEWICH SALT DISTRICT.

HEATLEY SALT DISTRICT.

LAWTON SALT DISTRICT.

NANTWICH SALT DISTRICT.

THE SALT UNION.

THE SALT ASSOCIATION.

SALT STATISTICS.

OLD NORTHWICH COURT ROLLS.

ACTS OF PARLIAMENT RELATING TO SALT.

OLD DOCUMENTS REFERRING TO SALT.

PARTICULARS OF THE DE TABLEY SALE IN NORTHWICH, 1826.

SALT IN CHESHIRE.



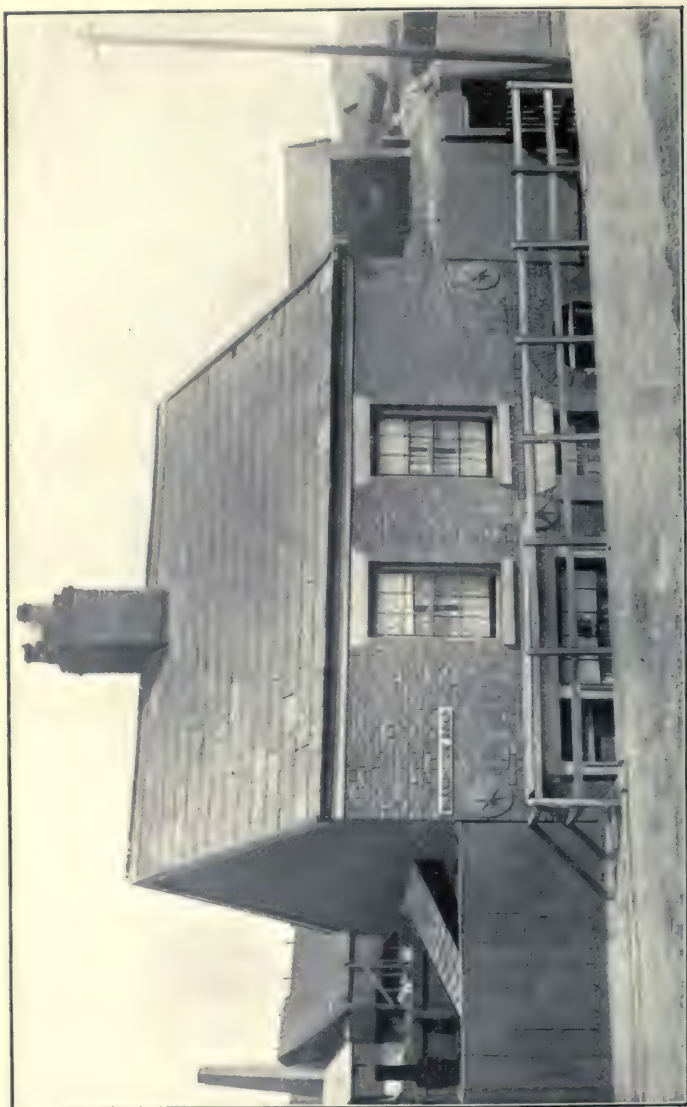
WORKING IN DANGEROUS GROUND AFTER SUBSIDENCE
AT NORTHWICH.

SALT IN CHESHIRE.



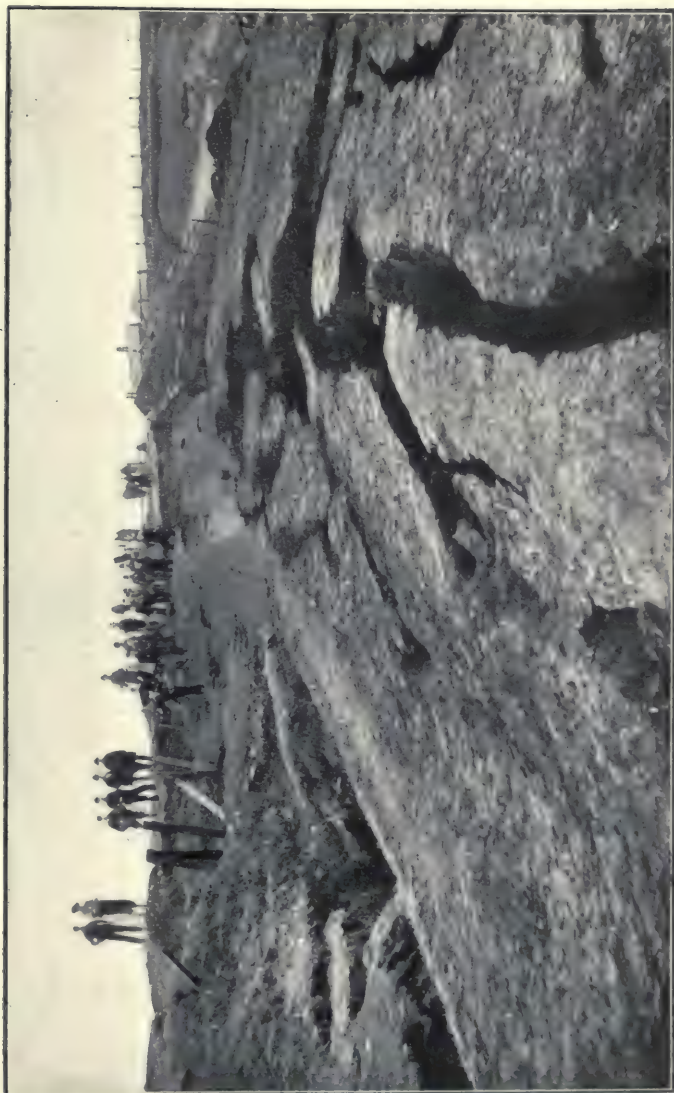
REMARKABLE SUBSIDENCE DUE TO SALT MINING AT NORTHWICH.

SALT IN CHESHIRE.



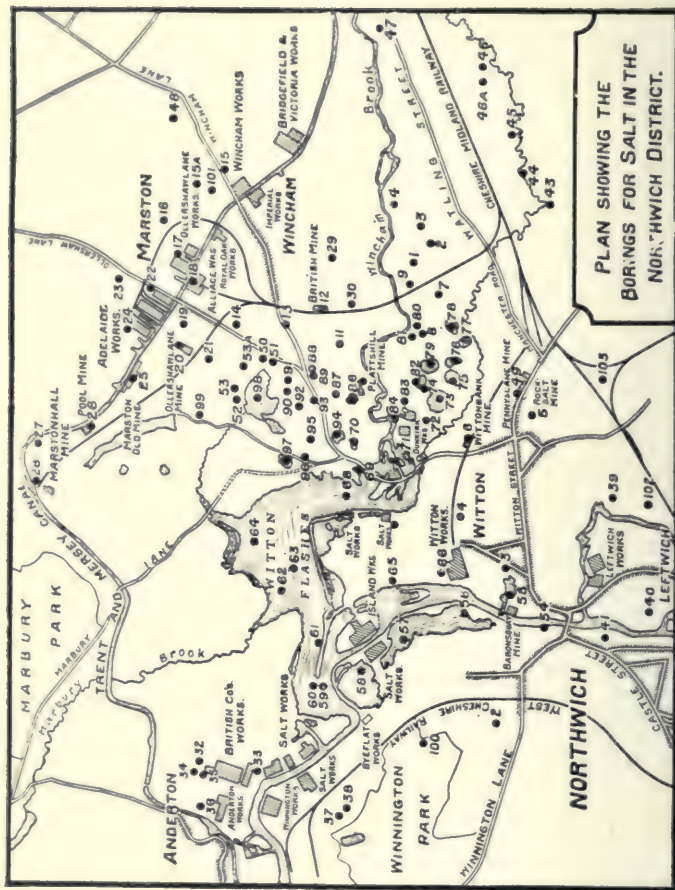
EFFECT OF SUBSIDENCE IN WARRINGTON ROAD, NORTHWICH.
THIS HOUSE WAS AT ONE TIME HIGHER THAN THE ROAD.

SALT IN CHESHIRE.



VIEW OF OLD DUNKIRK ROAD FALLING IN, NORTHWICH.

SALT IN CHESHIRE.

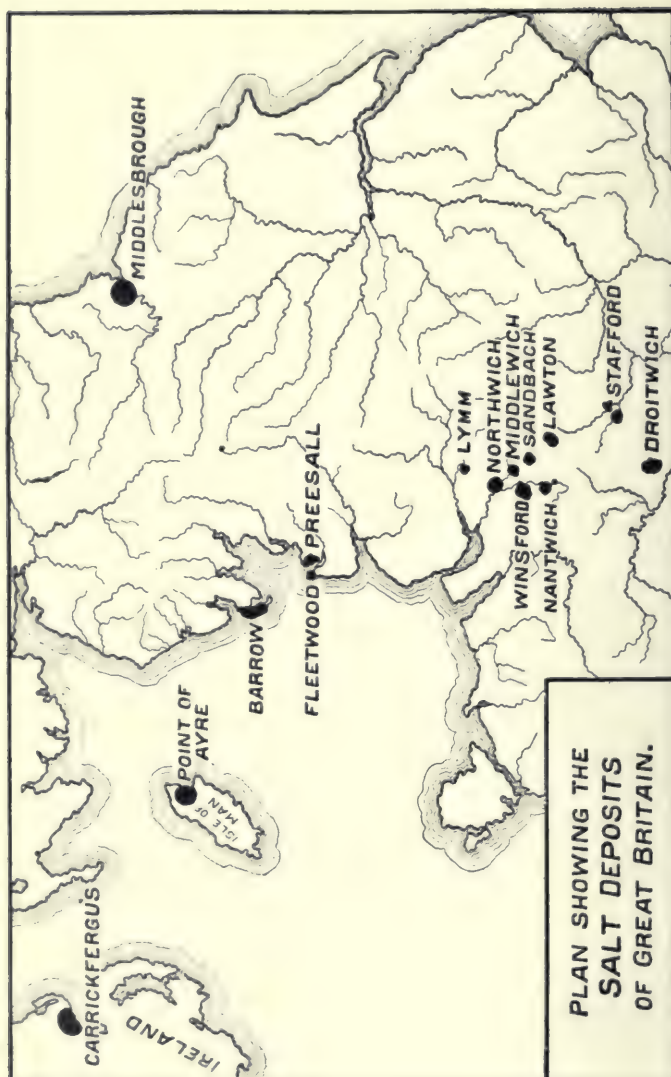


SALT IN CHESHIRE.

CHESHIRE SALT DISTRICT.
SKETCH PLAN SHOWING LOCKED-UP BRINE LANDS MAINLY
OWNED, OCCUPIED, LEASED OR RETAINED BY
THE SALT UNION LTD. AND BRUNNER, MOND & Co. LTD.



SALT IN CHESHIRE.



IN PREPARATION.

SALT DEPOSITS OF THE WORLD

BY

ALBERT F. CALVERT.

Profusely Illustrated with Photographs, Maps, and Plans.

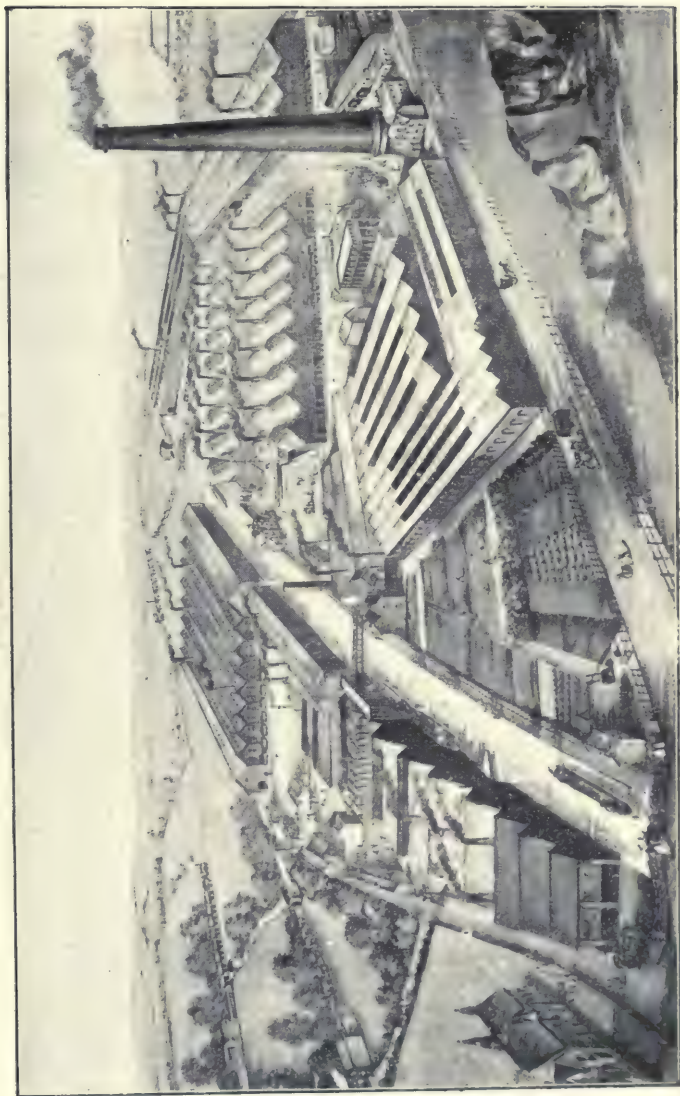
THIS work will give particulars of the principal Salt Deposits of the World and the various methods of manufacturing Salt, and is intended to form a companion volume to "Salt in Cheshire." Full and complete statistics will be included, and special chapters will be devoted to the following countries and districts: Ireland, Middlesbrough, Droitwich, Isle of Man, France, Spain, Portugal, Germany, Italy, Russia, Austria-Hungary, Roumania, Turkey, Canada, United States of America, Central America, South America, Africa, India, Arabia, Persia, China, Japan, Australia, &c.

SALT DEPOSITS OF THE WORLD.



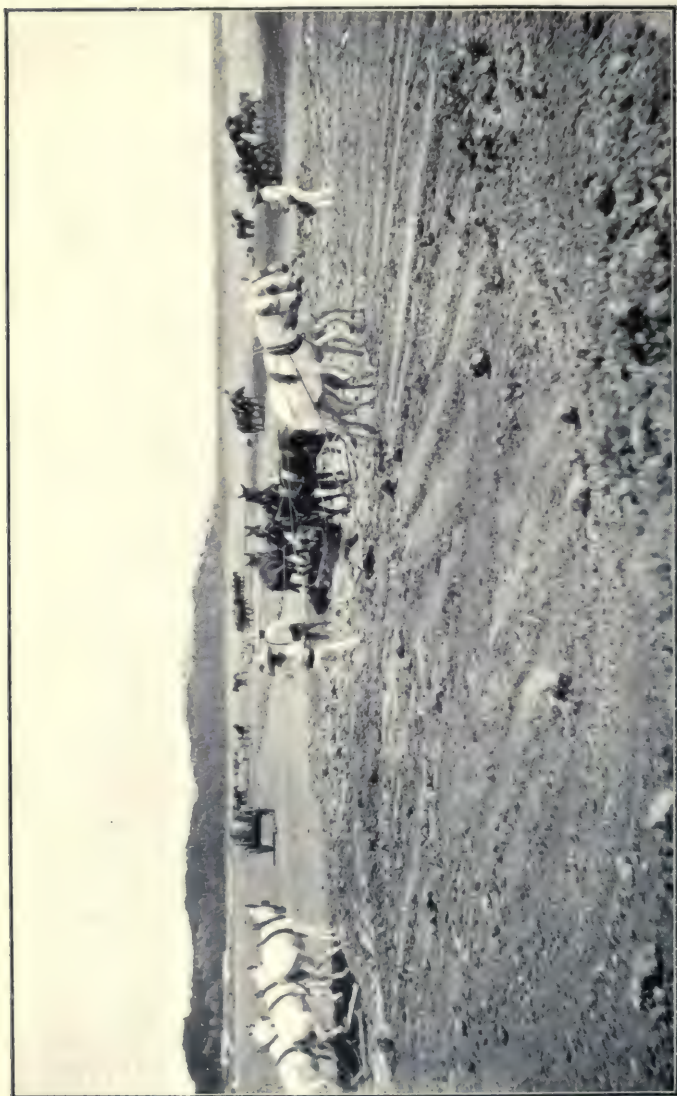
DIAGRAM OF THE DUNCRUE SALT MINE, MAIDEN MOUNT, CARRICKFERGUS, IRELAND, SHOWING THE 120 FT. BEDS OF ROCK SALT. (*From an old print.*)

SALT DEPOSITS OF THE WORLD.



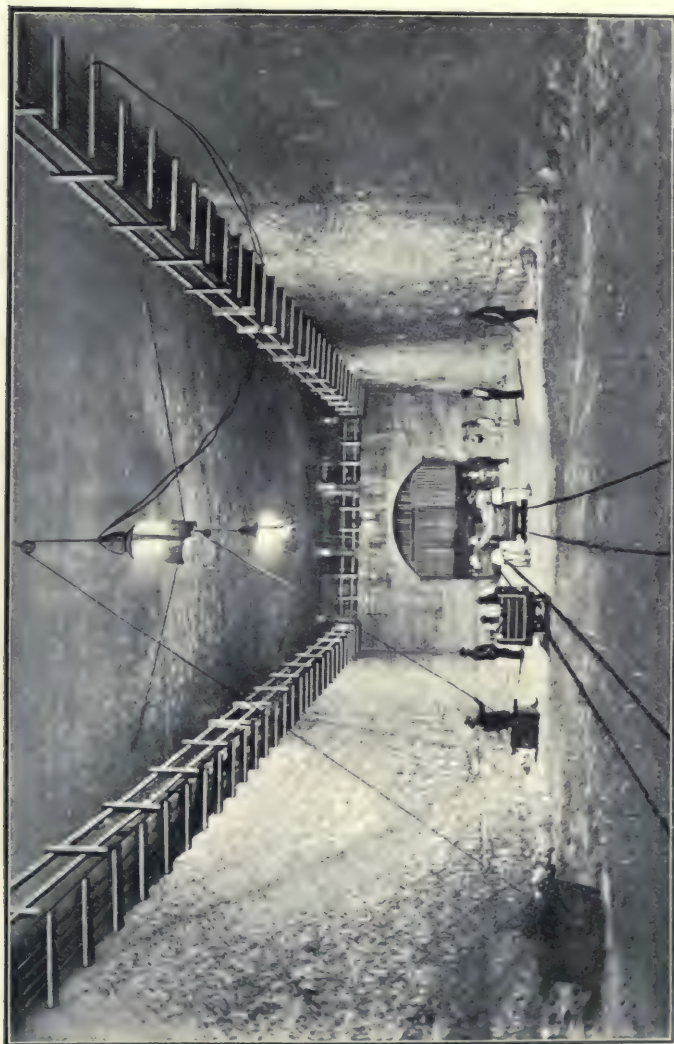
THE SALT WORKS OF STOKE PRIOR, WORCESTERSHIRE. (*From an old print.*)

SALT DEPOSITS OF THE WORLD.



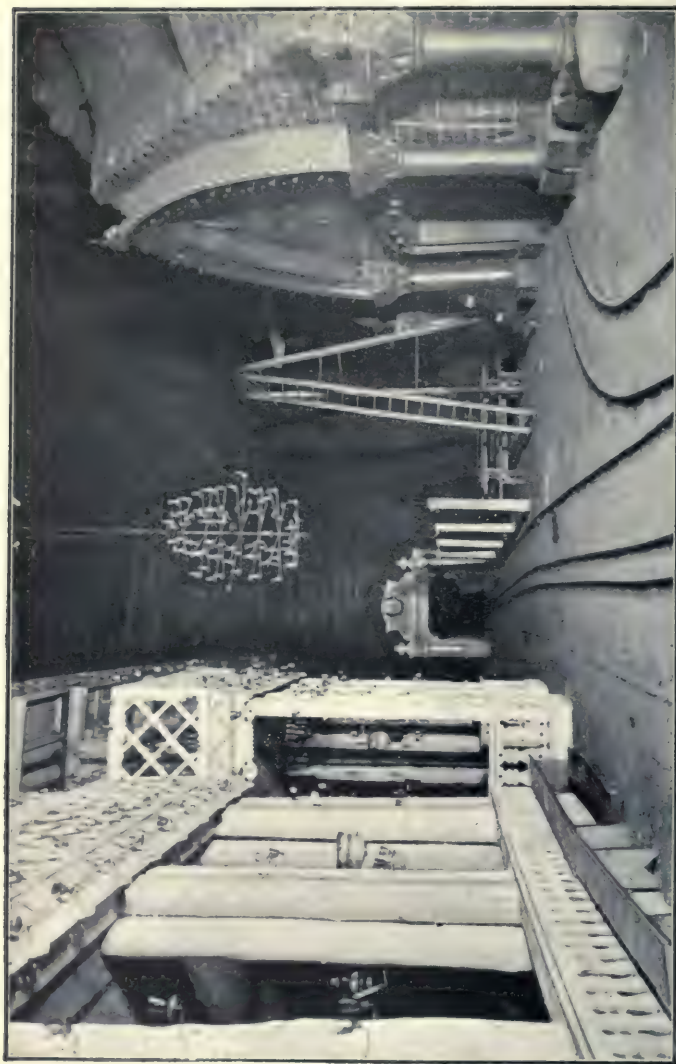
CONSTRUCTING A 100 ACRE BRINE CONCENTRATION TANK AT SALINAS SAN LUIS POTOSI, MEXICO.

SALT DEPOSITS OF THE WORLD.



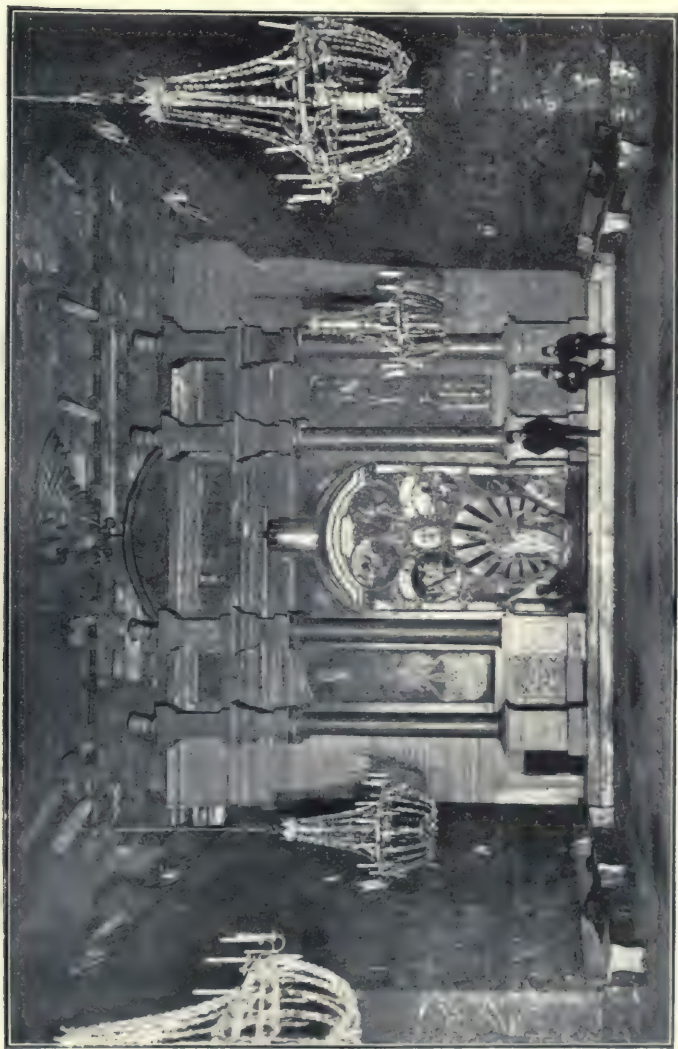
INTERIOR OF SALT MINE AT SLANICU, ROUMANIA. THIS FAMOUS MINE HAS BEEN WORKED SINCE THE TIME OF THE ROMANS.

SALT DEPOSITS OF THE WORLD.



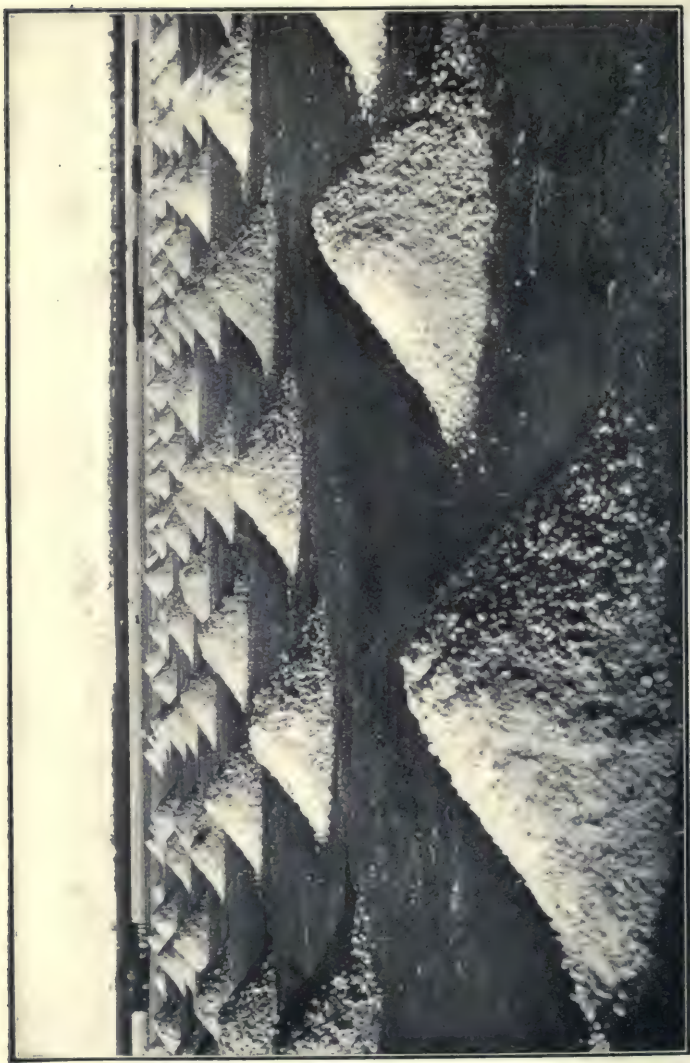
WIELICZKA SALT MINES, GALICIA. THE RAILWAY STATION ON THE THIRD LEVEL.

SALT DEPOSITS OF THE WORLD.

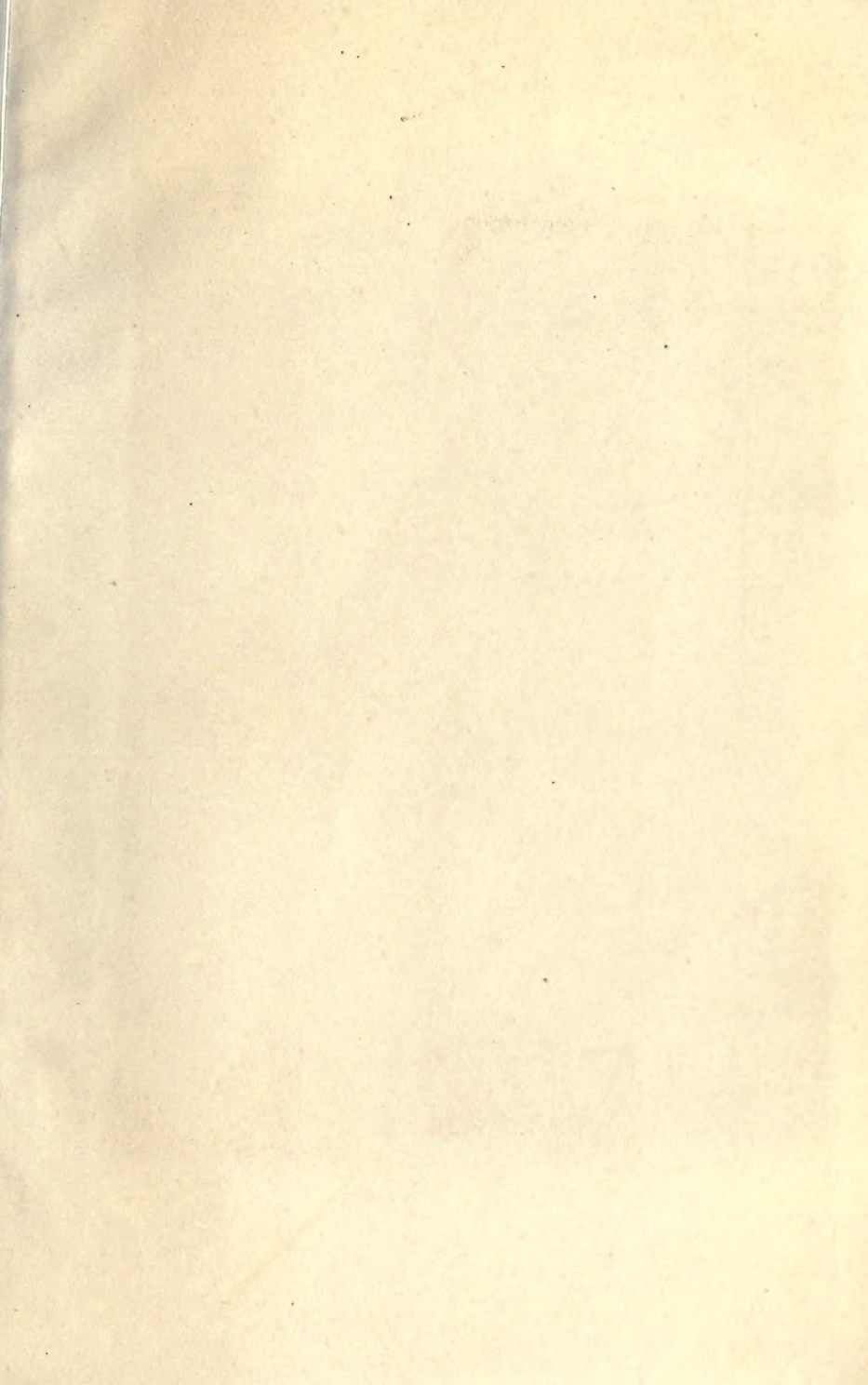


WIELICZKA SALT MINES, GALICIA. THE BEAUTIFUL FRANCIS JOSEPH BALL ROOM, MADE OF SALT.
THE CHANDELIERS ARE MADE OF POLISHED SALT CRYSTALS.

SALT DEPOSITS OF THE WORLD.



GATHERING SALT AT THE SALT LAKES, YORKE'S PENINSULA, SOUTH AUSTRALIA.



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